

MINUTES
Board of Forestry Meeting
Thursday-Friday, March 31-April 1, 2011
DEC Conference Room, Juneau, Alaska

Call to Order and Roll Call. Chairman Chris Maisch called the meeting to order at 8:10 a.m. The Anchorage teleconference site was connected. Rob Bosworth, Jeff Foley, Erin McLarnon, Matt Cronin, Mark Vinsel, Ron Wolfe, and Eric Nichols were present. Wayne Nicolls was absent due to illness. Ed Wood teleconferenced in from Petersburg.

Public Meeting Notice. The meeting was noticed by issuing public service announcements and press releases, mailing announcements to interested parties, and posting a notice on the state and Department of Natural Resources (DNR) websites. *(See handout)*

Approval of Minutes. The Board reviewed and unanimously approved the January 31, 2011 minutes without change. *(See handout)*

Approval of agenda. *(See handout)* The agenda was unanimously approved with changes in the order of presentations to address legislation on Thursday.

The Fairbanks teleconference site was connected.

Announcements.

- Vinsel announced that United Fishermen of Alaska is supporting the Choose Respect event, including a noontime march in Juneau today.
- Bosworth invited Board, staff, and guests to a potluck this evening. All are welcome.
- Alaska Trails is hosting a trails conference, including sessions on building partnerships, on April 15-17. McLarnon is speaking on the partnership between Willow mushers and the Division of Forestry (DOF).
- DOF, the Alaska Energy Authority, Cooperative Extension, and others are co-sponsoring a wood energy conference April 26-27. DOF will provide the agenda to the Board.

OLD BUSINESS I

Landslide Implementation Group. Marty Freeman, DNR Division of Forestry (DOF), reported that she has been working on identifying members for the group, including follow-up discussions with a number of Board members after comments at the last meeting. The goal is to find individuals who can

- represent the different interests who may be affected by recommended changes to FRPA best management practices or other actions to address landslide impacts;
- communicate with others with similar interests,
- listen to other points of view, and
- help develop consensus recommendations.

Affected interests for this issue include agencies responsible for implementing FRPA, municipalities, forest landowners, timber operators, water users (including homeowners), and

fisheries interests. The following people have been identified for Implementation Group participation so far:

FRPA Agencies:	Greg Staunton/Pat Palkovic, DNR Division of Forestry Kevin Hanley, DEC Division of Water Kyle Moselle, ADF&G Habitat Division
Forest Landowners:	Ron Wolfe, Sealaska Paul Slenkamp, Mental Health Trust ANCSA Village Corporation – TBA
Municipalities:	TBA (will be chosen from municipalities with potential hazards in their boundaries based on scoping)
Water Users:	TBA (Mitkof Highway Homeowners have been invited to participate, but have not yet decided whether to do so; watershed councils are potential candidates)
Timber operators:	TBA (want to include expertise in ground and helicopter operations and road-building)
Fisheries:	Mark Vinsel, United Fishermen of Alaska Mark Kaelke, Trout Unlimited

Freeman wants to make sure that the mix of municipalities, village corporations, and possibly watershed councils also has geographic diversity.

Vinsel suggested that hatchery operators might be a good source of knowledge on water resources.

Wolfe said that he hasn't yet contacted village corporations regarding potential candidates, but will do so.

Freeman has updated the mailing list with 129 names, including 30 contacts with organizations/businesses, 30 with Native corporations, 19 municipalities, 28 state and federal agencies, eight legislators, two media contacts, and 12 individuals. An initial announcement about the Implementation Group process and minutes of all Group meetings will be sent to everyone on the mailing list. Please let Freeman know if there are any additions to the list. All Implementation Group meetings will be open to the public.

The target is to hold initial Implementation Group meetings in May, and have recommendations for the summer Board meeting. This depends in part on the timing of the summer meeting and availability of staff and members over the summer.

Wolfe expressed concern about the make-up of the Implementation Group. The Group is charged with implementing the scientific recommendations within the FRPA structure. Members need to be familiar with FRPA. He is also concerned that there is a separation of the science concerns and the Implementation Group considerations. Freeman said that the membership is similar to that from past BOF processes. State agency representatives bring both technical knowledge and familiarity with implementing FRPA. Wolfe acknowledged that this is somewhat a hybrid – the format has changed some over time. Freeman added that implementation groups are briefed on FRPA, including the original Green Book principles.

Tongass Land Management Plan Implementation. Clarence Clark, DOF, reported that the State has worked with the USFS on developing economic timber sales for the last four years. He invited Beth Pendleton, USFS Region 10 Regional Forester, to speak.

Pendleton reported that a lot is going on in the USFS. She noted the recent Judge Sedgwick decision on the roadless issue. His decision in Alaska district court threw out the Tongass exemption to the Roadless Rule, the Tongass National Forest is now subject to the 2001 rule. Discussions are ongoing about what happens next among participants in the litigation. The Forest is focusing this year on implementing projects and undertaking new NEPA on projects with strong timber and restorations components on the road system. Proposed projects include pre-commercial thinning on up to 6,000 acres/year. They are focusing more on second growth management. Most USFS second growth stands are 10-50 years in age, and commercial harvesting is still 15-30 years out, but there is much thinning to do to improve stand health and vigor. The Tongass is planning to offer 50-70 MMBF this year, including the Frenchie Reoffer, Central Kupreanof stewardship project, Wrangell Roadside, Kuiu, and Backline Reoffer. Large EIS's underway for Big Thorne, Wrangell Island, and Tonka.

Pendleton reported that the USFS is actively engaged in promoting use of woody biomass in the Tongass. They have hired Dan Parrent as a biomass specialist in the State and Private Forestry office in Anchorage. The USFS is also retrofitting wood boilers in the Ketchikan Discovery Center and federal building. She appreciates Sealaska's work on their wood-fired system. The Forest Service is also looking at six other government buildings across the Tongass for wood-fired boilers, including chip, pellet, and solid-wood options. They are also working with the US Coast Guard (USCG) who is planning similar wood-fired systems in Ketchikan, Kodiak, and Sitka. USDA is also talking with local parties interested in developing a pellet facility on Prince of Wales Island— that would be exciting. These projects should increase demand for the product.

Wolfe asked whether the USFS projects are retrofits. Pendleton said yes; they are mostly in district offices in Southeast. The projects would have to get on the maintenance upgrade schedule for the capital projects program. Wolfe is encouraged by the USFS and USCG interest. He is concerned about new construction, including the new USFS lab at Auke Bay. He strongly hopes that a wood heat system will be considered for that building. Pendleton said they are looking at a number of options. She has introduced Parrent to the lab director, and spoke with [USFS Pacific Northwest Research Station director] Bov Eav on that option; they will look into that option. Wolfe stated that the Board should consider strongly recommending that the USFS consider wood heat for that facility.

Bosworth observed that he felt a synergy on this front for the first time; each new facility makes it easier for the next one. Is that too optimistic? Pendleton added that Craig is working with Rural Development to expand its wood heat facility. The USFS is looking at ways to create demand; they know wood products are needed to support wood energy. Pendleton believes wood fuel will be an economic alternative, but they'll have to start converting some systems. Some other communities looking at what Craig has done. The Juneau Economic Development Council (JEDC) is leading the effort to look at opportunities to put the pieces together from supply to wood-heat facilities. Region 10 will look at all the USFS district offices as there are opportunities to do retrofits. Bosworth commented that the BOF has been interested in wood energy for several

years, and this is the first time it seems like it's starting to take off in Southeast – this is the right thing for the rural economy and this is a great start.

Cronin asked whether material from pre-commercial thinning can be used for biomass. Pendleton said yes, it can be used for chips or pellets. Some of that residue could go into a new pellet mill.

Cronin asked what the basic premise is for leaving things roadless. Pendleton said that it was the judge's decision – he said that the way the exemption was established was arbitrary and capricious. Cronin said that the policy was started by the Clinton administration -- what was their justification? Pendleton said that it was a combination of interests in keeping the pristine qualities of land on the national forest system. Wolfe asked about the impact of the Roadless Rule on renewable energy projects contemplated by the USFS. Pendleton replied that there are several proposals for new hydro energy development. The Roadless Rule restricts building new roads. The USFS is currently evaluating the hydro proposals, and options for getting approval from the USDA Secretary for specific projects. Region 10 has been actively submitting projects through that process and they've worked out just fine so far. Maisch added that the Governor's Office in Washington, D.C. is looking at a number of requests and approvals on individual projects nationwide to determine how much the Rule is an impediment.

Pendleton reported that the Tongass is working to build its capacity for stewardship contracting. They are holding workshops in Kake and Ketchikan, and conducting a webinar today with the USFS and National Forest Foundation to build internal capacity. Pendleton expects the Region and Tongass National Forest to be doing other workshops over the next few months. Tongass has put out a five-year integrated plan for timber sales and stewardship work. Receipts from timber could be retained and reinvested in other projects, including restoration, trails, cabins built out of second growth, etc.

Nichols stated that his business has 150 employees, and a \$6 million payroll. Support for timber resources is lacking in information from the USFS Region 10 and Washington offices. What will be the Tongass annual sale quantity over time with the Roadless Rule? Pendleton said that the Allowable Sale Quantity (ASQ) doesn't change – it is 267 MMBF. Pendleton said the plan to sell 50-70 MMBF this year, and 70-80 MMBF next year. She sees it increasing over time within the 50-100 MMBF range. Nichols stated that there will be a gap in going to second growth. What will the Region's philosophy be on old growth harvesting in the interim? Pendleton said that the USFS-managed stands are mostly 10-50 years old, so it will take some time before the USFS can operate in just second growth; they will harvest some old growth in the interim. After about 15 years, the Tongass will be harvesting more second-growth than old growth.

Nichols asked whether there is any opportunity to change the age at which second-growth stands can be clearcut. It is better to harvest younger trees for the market. Pendleton said the Region is bound by the national rule [on culmination of mean annual increment (CMAI)], but is looking into it.

Nichols asked whether the USFS budget for restoration will be slashed given the national deficit. Pendleton said that the USFS budget is likely looking at some reductions even in 2012, but it is pretty healthy compared to other USDA and USDI agencies. The Region is looking at opportunities to reduce some cost centers for operating costs, e.g., fleet and lease costs to

minimize effects to programs. She does expect some leaner budget years. Nichols stated that it is hard to make capital investments on the short USFS planning cycle. Pendleton replied that Tongass is looking at some longer-term contracts, e.g., the Wrangell and Big Thorne projects are planned to be longer-term, multi-year projects. Nichols observed that more mills and loggers went broke last year – where does it end? Pendleton hopes that projects that are underway will bring more stability, and a more diversified timber sector.

Wolfe commented that population is declining in Southeast, and asked why Parrent's position is being moved to Anchorage. Pendleton said that he will be working for the State and Private Forestry program statewide, but will be active in Southeast. Pendleton kept part of his program and salary in the Tongass forest management shop to work with communities and agencies to make that happen. Maisch noted that prior funding from JEDC for Parrent's position was eroding, so it's good to be able to keep him. Wolfe recognized that benefit.

Cronin asked about the Tongass National Forest's plan for a complete transition to second-growth harvesting. He is familiar with biologists' advocacy for second-growth management which is usually aimed at wilderness protection rather than real wildlife impacts. Pendleton said that Tongass silviculturalists are looking at a variety of treatment types, and will continue to support Pacific Northwest Research Station research on silvicultural prescriptions, as well as what other entities like Sealaska has done. Cronin asked why Tongass is looking at a complete transition to second-growth harvesting. Pendleton said that it reflects a combination of USDA policy and the Roadless Rule. Tongass wants to provide a variety of services and products and support communities. Cronin said that Clinton's Roadless Rule and the USDA Secretary policy for second-growth management are administrative decisions. Has there been much Congressional action on this? Pendleton responded that there has been interest on the part of Congress.

Nichols said that we have experience with second-growth harvests. So far the USFS has done partial cuts. Have you looked at what will happen with blowdown in these stands? Pendleton replied that they are looking at it in the layout of projects and visiting with research folks as well. Minimizing catastrophic blowdown is always a concern. Nichols said he believes the USFS will have to revisit its policy once it's tested in the field and move to shorter age rotations.

Clark said that he, Moselle, Hanley, and the State Tongass Team have been commenting on USFS projects: Wrangell Island, Big Thorne, 12 Mile restoration, and Central Kupreanof. They are looking at Wrangell Island alternatives. He noted that the State's comments on federal sales have been asking for maximized volume based on the Tongass Land Management Plan (TLMP), including roadless and roaded lands. It's now hard for the USFS to respond on roadless lands. He gave kudos to the USFS for creatively coming up with a maximized volume alternative for Wrangell Island within the limits of the Roadless Rule. The State also asked for a wildlife alternative and the USFS has been responsive in developing that.

Maisch reported that he is currently chairing the State Tongass Team now that Ed Fogels has been promoted to Deputy Commissioner. Maisch hopes another person will be hired and take over chair duties. There has been lots of Governor's Office discussion on TLMP implementation, and options for responding to the Roadless Rule decision. Nichols asked whether the state is considering an appeal. Maisch said it is being considered.

Tongass Futures Roundtable (TFR). Maisch said that the next TFR meeting will be in Hydaburg in April. The TFR Administrative Committee met recently on requests from the full body to review the charter, governance, voting, and structure. They have developed a new draft charter that will be considered at the Hydaburg meeting. Some significant changes are recommended. The Boat Company, Natural Resources Defense Council, and Southeast Conference have resigned from TFR. The Alaska Wilderness League representative took a different job, so the League will have to petition the TFR to send a new person. There are currently 31 primary members. The Sitka Tribe representative recently passed away; the Tribe will likely continue with a new appointment. Proposals include a request that all members recommit fully to the new charter if they are going to continue. The TFR is in flux. Maisch expects it will continue in some different form. It won't be a forum for resolving Tongass timber issues. It will focus on surfacing problems in the region, including land allocation issues, and Native issues. Nichols asked whether TFR will be looking at regional economic stability. Maisch said yes; the TFR is very aware of Southeast depopulation due to the lack of economic opportunities. They want to identify other opportunities. Access to natural resources is essential. Without that, the Southeast population will continue to decline. There will be less focus on timber than in the past. Nichols asked whether the consensus is that the TFR efforts on timber were a failure. Maisch said that there is not even a consensus about whether some progress was made in the timber arena. The TFR has put together some working relationships that didn't exist before, and helped make progress on some issues.

Moselle spoke as the ADF&G representative to TFR. One of the convening goals of TFR was a long-term timber supply. That has been retained in the charter revisions. It will be interesting to see how membership shakes out in the short term and how they come back to that issue. Nichols stated that for Southeast Alaska, timber can't be the only play; it's the diversity to weather various cycles that's important – a combination of everything is needed, including timber.

Sealaska entitlement legislation. Wolfe reported that the entitlement legislation didn't pass the last Congress. He hopes new bills will be introduced by Young and Murkowski in each house, and that hearings are scheduled early in the session. There are some differences between the bills. The goal is to pass a bill in 2011. If that is not successful, Sealaska will be forced to commence shutdown procedures in 2012. If legislation passed at end of 2012, Sealaska couldn't anticipate timber from new lands until 2014 because of the time it takes to transfer title.

Cronin asked if they would shut down all of their timber operations. Wolfe said yes. He doesn't yet know whether it would happen all at once or in phases. Nichols said that there will be a definite wood shortage given the amount expected from the USFS. The Roadless Rule is now a judicial decision, and it's hard to fight it unless we can change it. Wolfe hopes to get opposition to the entitlement bill removed. A shutdown would affect 400 jobs in Southeast. Nichols projected that would mean an economic decrease in Southeast in the \$20-30 million range, including tugboats, fuel suppliers, etc. – everything that makes Alaska tick. Wolfe said that it also affects schools – many timber jobs are a family's financial support. Without a job families will leave. Teachers will be lost, including their own kids in the schools, and you get an implosion. The population loss is spiraling down. Nichols added that it's not the across-the-board population that leaves – it's the working population. Retirees, welfare recipients, etc. remain, which are very high cost populations. For example, that happened when the pulp mill closed in Ketchikan.

Foley observed that it's a statewide problem. Through 7i and 7j [sections of ANCSA], when Sealaska loses revenue it affects all Native corporations.

Mental Health Trust (MHT) exchange legislation and Board position. Paul Slenkamp, Alaska Mental Health Trust Land Office, said that the Trust has been addressing communities. The Trust's executive director, Greg Jones, and Slenkamp went to the Prince of Wales Island Community Advisory Council last week. The Council was very supportive and pointed out all the things that Wolfe and others just pointed out. It's a dire situation in the communities – there's panic and desperation in the air. The Trust is moving forward as rapidly as possible with exchange legislation. They are in contact with Young, Begich, and Murkowski, and have a draft bill to be introduced at the proper time. A lot of emphasis is currently on the Sealaska situation. Slenkamp asked the Board for a resolution of support for the MHT-USFS land exchange, and provided a draft resolution (*see handout*). The Trust has widespread support from communities for putting a long-term timber base on Prince of Wales Island. Nichols asked whether the USFS will support this. Slenkamp replied that the Trust has worked with Forrest Cole throughout the process to minimize the impact on the USFS, and has met with all the district rangers. Maisch asked whether there are discussions about this higher up in the USFS in Washington, D.C. Slenkamp said yes, but he hasn't been part of that discussion. He understands that the USFS has to take a neutral position toward land exchanges. Any exchange would have to be a value-for-value exchange. The Trust is making steps forward on an appraisal process. They have identified a 20,000- acre pool for trust land and a 50,000- acre pool for USFS land.

Cronin summarized that there is opposition to harvesting current Trust land near communities and the Trust wants to trade it for USFS land farther away. Slenkamp agreed that Trust land is high visibility land close to communities, especially in Ketchikan and Petersburg. Therefore the Trust is seeking land in more traditional harvest areas. The forest on the pool of USFS land is more than 50% second-growth, and it is in roaded areas outside conservation areas. The Trust allows day use of their land for communities, so land acquired by the Trust could be used for subsistence, and MHT would keep roads open, which is popular on Prince of Wales Island. The communities look forward to an economic base. None of the lands in the USFS pool are in roadless areas as far as Slenkamp knows, but the Trust will have to reassess this given the Roadless Rule decision and definitions.

Slenkamp drafted the proposed resolution; it is open to Board editing. Bosworth said that the MHT has done a good job in a lot of places with local concerns for fishing and hunting. Being sensitive to that has been a good thing, e.g., at Petersburg Creek, and Gustavus. He believes that people are getting confused about MHT, University, and Sealaska lands. There are ways to work with that – putting out literature, the recent road trip, etc. Bosworth still hasn't talked to anyone who really understands what is proposed – there's still an opportunity to do more. Slenkamp agreed. The Trust is trying to do more education and information is available on their website. The University lands are now resolved, but confusion over MHT and Sealaska land proposals is understandable. The Trust hasn't been working on this process as long as Sealaska has. The Trust will have more meetings as with city councils, chambers of commerce, etc. They met with the Southeast Conference last month.

Nichols asked about the time frame for legislation. Slenkamp said that if it doesn't come up in 2011, they hope it comes up in 2012. There's optimism about moving the legislation forward in D.C.

Maisch asked whether the estimated 20 MMBF timber supply cited in the draft resolution is based on MHT receiving all 50,000 acres in the USFS pool. Slenkamp said yes, and noted that he will have to adjust the estimate depending on the acreage actually received.

Wolfe said that the BOF hasn't typically dealt in resolutions. The Board may better establish strong support for the exchange through a letter than a resolution. The Trust can craft a letter to be passed by motion using language in Slenkamp's draft. Slenkamp said that a letter of support would be much appreciated.

Cronin asked whether the Trust would harvest its 20,000 acres in the absence of an exchange – is it a matter of where harvesting takes place. Slenkamp said yes, the Trust must maximize revenue for its beneficiaries. Timber is the primary revenue producer from the existing land.

Cronin supported the use of a letter. He would like to see actual maps of the land pools. [Information on the exchange can be found at the Alaska Mental Health Trust Land Office website: <http://www.mhtrustland.org/index.cfm?section=Proposed-Land-Exchange&page=Exchange-Home>]

Bosworth said that the Trust is not adequately getting information to people yet. Talking about detailed lands on maps requires transparency and needs to be explicit. He is nervous about being in a room with lots of maps and developing a collective opinion. He is not sure he disagrees with anything in the packet, but people don't yet know enough about this. Are there people who can help get the word out?

Maisch noted that MHT is part of DNR, but largely autonomous. DOF is not directly involved. There's not actually a bill yet, and there may be more activity once there is. That will also focus the discussion more. There have been a lot of land tenure issues in Southeast in the last five years, so the public could be easily confused. Bosworth said that there may be something the Board could do to help.

Wolfe asked Slenkamp to convert the resolution into a letter and include the need for more public outreach. This is an MHT project, and it's MHT's job to do the public outreach, but the BOF could adopt a letter of support. Slenkamp commented that public information is always a challenge, no matter how much you do. The Trust is working on a communication strategy. He clarified that the Trust Land Office is seated in DNR, and is under the seven-member Board of Trustees for the Alaska Mental Health Trust Authority.

Vinsel asked whether the maps include all 50,000 acres from the USFS pool given that the land values haven't been determined on the land pools. Also, does the Trust think that the land pools are roughly equal in value? Slenkamp said that the Trust wants enough in the USFS pool to cover the MHT land value. MHT lands are near communities, which typically raises the appraised land value. Appraised value would be based on real estate value for the highest and best usage. That could potentially include subdivisions. Vinsel asked whether the Trust would log its land

regardless of whether the highest use is for subdivisions. Slenkamp replied that timber harvest could be a first entry, with subdivision in the future. Vinsel suggested that a letter of support should be for the concept of a land exchange rather than specific parcels. He is not sure that enough is known about the specific parcels. He would like to help resolve the issues for the Mitkof homeowners, but wouldn't have input on other specific parcels. Slenkamp said he hopes energy can be put toward resolving the Mitkof issue through a land exchange rather than legislation such as HB 91. He would rather support the exchange than oppose HB 91.

Wolfe left the meeting; Brian Kleinhenz from Sealaska joined the meeting as his alternate.

Cronin agreed that the Board doesn't know the specifics of the parcels, but didn't know the specifics of all the Southeast State Forest parcels either. The Board depends on the expertise of the agencies. Cronin doesn't feel competent to judge the specifics of individual parcels.

Bosworth said that the Trust proposal gets toward the concept of "community forestry" where people discuss how to do projects like this land swap. When Steve Planchon was with the Trust, similar thinking came out. Slenkamp said he grew up in the Northwest and is familiar with the concept that a community is involved in the forest around it.

HB 91. Maisch noted that HB 91 was introduced by Rep. Wilson. There have been no hearings on the bill this session. DOF has met with Rep. Wilson several times, including yesterday when Freeman reviewed FRPA, the BOF process, and the outcome of the scoping process with her. The Trust also met with Rep. Wilson. Her aide, Pamalyn Duvall also presented the legislation to the Society of American Foresters at their last meeting.

Kleinhenz said that Sealaska is very concerned that HB91 is an end-run on the BOF process on this issue. He would like the Board to consider formal opposition to this bill

Ed Wood, Mitkof Highway Homeowners Association, said that the idea of an exchange for the Trust's Mitkof land started in 2005, and had near-unanimous support in the Petersburg area. A larger exchange would be much more difficult. His family worked in logging and this is the only timber sale he ever contested. The Trust has said they would log on Mitkof if the exchange doesn't work – that's why the Mitkof homeowners proposed HB 91. If the Trust has taken up an exchange back then, the Mitkof Highway Homeowners Association (MHHA) wouldn't exist. He urged the BOF to support the concept of a Trust land exchange. The MHHA is focused on the Petersburg parcel. He can't comment on other parcels – other communities will have to speak for themselves.

Maisch summarized that the Board appears to be supportive for redrafting the resolution into letter with support for general concept. Slenkamp will redraft it today.

Slenkamp said that the MHT is open for resolving the Petersburg issue, and if that could be done with a smaller exchange, they're not opposed to that. However, Petersburg isn't the only issue in the region, and the MHT would like to resolve them all. A 20,000- acre exchange is not much more difficult than a 2,600 acre exchange. He noted that the original Detailed Plan of Operation (DPO) for a Mitkof harvest covered 2,400 acres of which only 200 acres was in conventional logging units. The Trust used the same harvest system on Gravina and Revilla islands, and once

the harvests were completed they were well received and those slopes have remained stable. The Trust Land Office is not opposed to public safety. The Trust acts responsibly as illustrated by voluntarily not harvesting the Mitkof parcel to this date.

Vinsel commented that a USFS exchange involves Congress, but a state exchange could be done within the state government -- has that been considered? Slenkamp replied that little land in Southeast is state-owned – it is 97% federally owned. Most of the state land is also in proximity to communities. The Trust hasn't totally explored that option, but it wouldn't be as palatable as trying to petition the federal government.

Maisch noted that Kleinhenz recommended drafting a letter opposing HB91. He repeated that the bill has not been heard at this point. DNR did a bill analysis to prepare for making comments, but doesn't want to do a pre-emptive statement to keep things in an atmosphere of trying to find a solution rather than just opposing the bill. He counseled the BOF to do the same since the legislative process isn't moving at this time. It's premature to take a position at this point.

Nichols asked whether there is any indication that Rep. Wilson may withdraw the bill. Maisch said there is no indication of that yet. It is unlikely to be heard in this session, but not certain. It would be a difficult process to get it enacted in this session. Nichols said that DNR has done what they can to inform Rep. Wilson on the process at this time. If the bill does move forward, we might reconsider.

Kleinhenz asked whether there is a champion on the Senate side. Maisch said he is not aware of any, but doesn't know what other discussions may go on.

Cronin commented that the focus of the bill is putting public safety in FRPA. When the legislature does something like that, do they consider trickle-down effects of the bill on other agencies? For example, would ADF&G have to account for public safety issues of moose crossing highways? Maisch said that they have to look at fiscal impacts and other impacts. The Attorney General's Office also considers that in their review.

Maisch summarized that the Board would defer action on HB 91 at this point, and reconsider if the bill moves in the future. There was general agreement with this approach.

Climate Change Subcabinet and carbon sequestration. Maisch reported that the Immediate Action Work Group is the only one active at present. That group makes recommendations to address issues like coastal erosion affecting rural communities. Some subcabinet members changed with the new administration. DEC Commissioner Hartig chairs the subcabinet committee, but there is little current activity. The DEC website has all the reports produced to date.

Nichols noted that the USFS said they are looking at renewable energy. Is the state looking at whether the feedstock is really going to be available? He is skeptical that pre-commercial thinning material can really be economic for an energy feedstock. Maisch shared that concern. Thinning material may only work if the thinning cost is covered by other activities, and the material is used by chips. Pellets for residential use are sensitive to the percentage of bark and needles. Most of the economic material for biomass is a byproduct of other activity. If you have to harvest

specifically for biomass, the economics are difficult. Nichols emphasized that if the capacity for local primary manufacturing capacity is lost, Alaska winds up supporting pellets from B.C. You can't have a timber industry if you don't cut any trees. Maisch said that on Alaska Energy Authority (AEA) projects with state support, DOF works with AEA to make sure there is a viable feedstock. He hopes the same standards are applied to federal projects. The USFS is planning major investments in stewardship which would subsidize biomass. Nichols noted that the overall national debt will make subsidies harder and harder to get.

Maisch said that the Superior Pellet plant near Fairbanks is working through "teething problems" with its manufacturing process. There were some problems with quality control. Nichols commented that as petroleum fuel prices increase, that increases harvesting and transportation costs for wood fuel as well. Maisch reported that the DOF forest inventory program is developing tools to estimate volume and transportation costs for wood fuel.

Cronin asked whether there is anything new on carbon sequestration. Maisch reported that the National Association of State Foresters is evaluating assumptions supporting the idea that wood could be a carbon-neutral fuel. There is work showing that the boreal forest is probably a net carbon-emitter as soils thaw rather than a carbon sink.

Nichols asked whether pre-commercial thinning is carbon-neutral. Maisch said that there is probably a carbon release at the time of thinning, but it may be a net sink as growth increases on residual trees.

NPDES permitting and forest roads. Rick Rogers reported that the only update is that the request for an "en banc" panel to hear the case is still pending. He doesn't know when a decision will come. William Ashton, DEC, said that DEC has had discussions with EPA's Region 10 and the EPA Washington office about using the multisector General Permit (GP), and it looks like that is the way DEC would proceed if the decision becomes final. It will depend on the outcome of the court decisions. Region 10 is waiting for the outcome before proceeding with permitting. Some regions are taking different approaches. Rogers noted that because Alaska has primacy for stormwater permitting, it would be a state permit but subject to the EPA rules. Because it's a state permit, some NEPA processes don't come into play.

Nichols asked whether a GP would make FRPA move toward different practices to avoid point-source regulations. Rogers said the process would have to demonstrate that other practices are equal or better than the existing BMPs. He would expect FRPA standards to be brought into the DEC permit instead. Nichols stated that the industry is always leery of having a new permit requirement, and would rather develop a process that didn't require a permit. Rogers added that there are still big questions on when a permit would apply – e.g., would it apply to a culvert if an existing stream isn't introducing sediment? Nichols expects that it would apply more to the cross-drains. He would want to know whether runoff could be spread out over a bigger area and not require a permit. Ashton said that there would be new challenges because they would be applying a permit not written for forest roads to forest roads. DEC would look at the FRPA BMPs as the ones we would use in the new permit, and would use what is already in place. Nichols asks what the GP entails. Would it be case-by-case, or allow action to proceed over a big area as long as it is consistent with the GP? Ashton said that DEC would put together a work group to figure out answers to these questions.

Kleinhenz asked whether DEC could you use one of the existing sectors for the GP. Ashton replied that there's already a timber sector, but it doesn't cover roads. DEC is considering using existing Sector AD which is very flexible and just applying it to the roads.

Nichols asked whether there has been discussion from EPA about streams that are just passed under a road versus concentrated runoff. Ashton answered that the issue is more about stormwater collected in a ditch and cross-drains. He doesn't expect a stream under a road to require a permit.

Road condition survey report. Joel Nudelman, DOF, reported that DOF and ADF&G have completed six years of surveys (*see handout*). 2010 was a wrap-up year; there was no new funding for surveys. The agencies developed a GIS layer of all non-federal forest roads from Dixon Entrance to Cape Suckling, including point features for slides, washouts, crossing structures, etc.

Nudelman reviewed the data on culverts – all culverts were rated on a scale of 1 to 4, with 4 = fully capable of fish passage, 3 = one impedence issue, 2 = multiple issues, and 1 = incapable of passing fish. The survey looked at inactive and closed roads. Inactive roads are open to the public but not subject to timber hauling. The project surveyed 109 fish culverts on inactive roads – 101 on private land and eight on public lands. Sixty-nine culverts were on resident streams and 40 on anadromous streams.

Nichols asked whether a culvert means a round pipe still in the ground. Nudelman said yes, and noted that FRPA regulations didn't require culvert removal on closed roads prior to 1993. Nichols asked whether the original culverts were designed for fish passage. Nudelman replied that they were in most cases. DOF and ADF&G have done upstream habitat surveys on culverts rated 1 or 2. Most problems were erosional, and some culverts had rusted through.

Nudelman reported that the agencies surveyed 829 miles of road on 27 operations, including all crossing structures on these operations. There were 1,891 miles total in those operations, and 3,230 miles total of non-federal roads in Southeast Alaska. All operations should have been notified under FRPA.

Nichols observed that about half of the culverts remaining in place have no issues, and many other culverts have been removed. He asked what percentage of all the original crossings has problems, including remaining and removed culverts. Joel agreed that it would be a small percentage. There were only 109 culverts remaining on 1,891 miles of road. Only 20 crossings had real concerns – that is a small percentage even without counting the culverts that were removed. DOF was able to have operators do on-site maintenance on some of the culverts that were concerns.

Nudelman summarized data on road systems that were closed prior to 1993 when the current road closure BMPs were adopted. All the average ratings for BMPs were between 3 and 4. Most of those roads were holding up well – many are grown over with no recent traffic. Slide activity has settled out. Lower ratings are anomalies – some were ditchlines that were no longer functional, and even that was not common.

For roads closed after 1993, there were some anomalies where culverts were left in place that should have been removed, but average ratings were very high. The agencies were very happy to see that streambeds were restored on fish-bearing waters. DOF also looked at regeneration, and ratings were very close to 4.0. Surveyors were looking to make sure that reforestation standards for 200 well-distributed seedlings were achieved.

Inactive roads include a variety of time periods since closure. Ratings were generally high. A few low ratings occurred related to pre-commercial thinning slash or ditchline maintenance. When notified, landowners got on the thinning slash issues right away, and problems weren't found on roads closed more recently. Landowners also responded quickly to plugged culverts.

Culvert BMPs on roads closed prior to 1993 had a few low ratings where culvert entrances and exits did not match the natural stream channel. Each BMP was evaluated for each individual culvert. Fish passage culverts were rated on detailed surveys of gradient, substrate depth, etc. as well as BMPs. Average BMP ratings were mostly high, but a few were lower than 3.0.

There should be no culverts remaining in place on roads closed after 1993 but a few were found. Average ratings were pretty good, but a few were less than 3.0, e.g., for clearing slash above culverts. DOF was able to get some of those sites cleaned up.

Average culvert ratings on inactive roads were high. There were some anomalies in terms of perched or plugged culverts. Nudelman needs to delete data from some streams that were later found to have no fish.

Bridges on closed roads include both pre- and post-1993 closures. Bridges rated high – many bridges were in poor condition and unsafe to cross, but met the BMPs. The general expectation for bridge life is about 15 years of use for a log stringer bridge, and many of bridges were older than that. Curbs and filter fabric on rock-decked bridges had some issues, but the modular bridges were in good shape. Private landowners didn't have any issues associated with bridges other than missing some bull rails or deck railing. Most bridge sites had no stream or bank disturbance. On state land, surveyors looked at one modular bridge and a couple of log stringer bridges in the Haines State Forest. Some are in the process of being replaced. DOF will look at other state lands if we have more funding in the future.

The only thing left for the Southeast Road Condition Survey is to complete upstream fish habitat surveys on culverts rated 1 or 2, finish the final report, and post GIS and other data on the website.

DOF received funding for the next two years to do road condition surveys on the Kenai Peninsula in Region II. Funding will start July 1, and surveys will start in the fall. Surveyors get better info in crummy weather – you can see more in respect to drainage. The first southeast surveys in 2004-5 were during hot and dry summers with low stream flows. The next few years' surveys were scheduled later in the season.

Nudelman thanked the effectiveness monitoring working group that rated road condition surveys as a high priority – that helped with the proposal for surveys on the Kenai. DOF has great cooperators in ADF&G.

Bosworth expressed awe of the body of work put together. He asked whether there is a presentation of that data that involves more than numbers – graphs, etc. Nudelman said he is open to suggestions. They have just gotten the numbers on the individual road systems.

Nichols would like to see information on culverts rated 1 or 2 as a percentage of overall crossings, including both remaining and removed structures. That's a better measure of overall effects.

Maisch asked how problems that need remedy were addressed – were there directives? Nudelman replied that it didn't come to that. DOF just met with the landowners, and they got on the needed work. Landowners did get some federal Forest Land Enhancement Program funding to clean up some slides, and replace some culverts and bridges. DOF and landowners are working with the Natural Resource Conservation Service (NRCS) to replace one or two culverts on Long Island. Nichols said that the NRCS design for the replacement was stupid.

Kleinhenz said that Sealaska supports the road condition survey project – it has helped them have good operations. Field engineers take the ratings seriously. He is glad the surveys will expand into region II. One can never have too much empirical information to measure the success of a program like FRPA.

Maisch commented that there have been some recent questions on FRPA standards. It would be good to have a summary document for the legislature documenting the success of the Act. The Act is doing what we intended it to do. Nichols added that we often hear broad statements thrown out about devastation. Having this kind of information available is very important. Vinsel agreed with the point about informing the legislature and the public. Getting the data on upstream habitat and needs for replacement will help with needs for funding to fix them. Pink salmon value has increased – they keep people working and eating now.

Maisch asked what issues Nudelman anticipates as old stringer bridges decay. Nudelman responded that it's a rare occasion when a whole bridge collapses at once. One did, about a month before the survey at Hobart Bay on the mainline road. The landowner replaced that one with a railcar bridge. One biologist wants a survey at East Icy Bay where bridges were left in place to see how those wear in time. At that site they just scraped the surface and pulled the fabric.

Maisch appreciated the road condition survey work in the field and the office.

HB 97 – Invasive species. Freeman reported on HB 97, the bill to extend the authorization for the DNR invasive species coordinator. If not enacted, the coordinator position would expire on June 30, 2011. The coordinator oversees enforcement of state statutes and regulations for invasive plants, noxious weeds, and agricultural pests; develops a strategic plan for their control; designs pest management area and integrated plant and pest management programs; maintains a database; and provides educational materials. The coordinator also regulates and controls entry into Alaska of seeds, plants, and horticultural products.

HB 97 passed out of the House Resources Committee without amendment on March 9, 2011 and out of House Finances on March 23. It has been referred to the House Rules Committee to schedule a floor vote. Co-sponsors are Reps. Johnson, Stoltze, Guttenberg, Kerttula, Feige, and Austerman.

No one has re-introduced a bill to create an invasive species council so far this session.

Public comments.

Dave Beebe from Petersburg responded to Wolfe's comments re federal SB 881 and its importance to the timber industry. Maisch clarified that the bill didn't pass last session and is not currently in play, but there is hope to introduce it. Beebe asked whether Sealaska's comments mean that Sealaska has abandoned its land selections on file with the Bureau of Land Management. He is encouraged to hear the about the road condition survey for the Haines State Forest. He raised questions regarding 2002-2003 stream restoration projects in Kake and failed dog salmon runs in Hydaburg. He asked whether Moselle could speak to those failed runs being a result of timber harvest. He was reading from Chapter 8 of Katy Fulton's dissertation on this topic. The mayor's office of Hydaburg called to get support – they're losing their last dog salmon run. Maisch welcomed submittal of copies of the report cited and said the agencies would look into these questions.

Certificate of legal harvesting. Rogers noted that questions about supporting harvesters with respect to documenting compliance with FRPA came up at a previous meeting. He passed around a sample certificate. The proposed document doesn't change what DNR currently does, but presents it in a different format. If this helps and appears more official, DOF can provide these documents. Nichols reported that he recently sold logs to people in China making violins and they didn't want a certificate, but people making cedar doors for the Chinese market did. Cronin asked whether there has to be a way to link the certificate to a specific load of logs. Nichols said, "Don't ask;" it's a certificate. Kleinhenz said that legal wood is the lowest bar that people will purchase. Purchasers can't just assume wood is harvested legally because it's done in the U.S. The certificate is useful. Rogers emphasize that DOF doesn't monitor chain of custody, but can say that they inspect regularly. Nichols added that with log brands you often can trace wood back to a specific piece of property. Maisch noted that the State previously decided that third-party certification wasn't worthwhile for state timber; that could change sometime in the future. Rogers noted that the signature on the certificate is set up for the state forester's signature rather than the area forester.

Support for the Mental Health Trust land exchange, cont. Slenkamp presented a draft letter (*see handout*). The draft letter deleted the reference to 50,000 acres and included a recommendation for additional public outreach efforts.

Cronin suggested edits explaining the character of local conflicts, noting that received lands would be more remote and suited for forestry. The Board agreed to the following changes.

- In paragraph 3... The BOF is aware of known conflicts between residents of these Southeast AK communities who want forest land around communities left undisturbed and the Trust's need to harvest timber on their land for revenue generation.
- Para. 4: To meet the mission of the Trust and to place these high-value Trust lands into the public domain the TLO is proposing a value-for-value land exchange with the USFS to exchange Trust lands around communities with USFS lands that are suitable for sustainable commercial forest management activities.

- Para 5: Delete
- Para. 6: [CONSEQUENTLY, T] the Board supports a [THE PROPOSED] land exchange between the USFS and the Trust.

Maisch asked where the letter would be distributed. Slenkamp said that he would like it to be distributed as widely as possible. Freeman recommended addressing it to the executive director of the Mental Health Trust for use as needed. Maisch suggested including the Alaska Congressional delegation, state Senate and House members, and the Governor on the cc list.

Cronin asked how soon something could happen on the exchange. Slenkamp said that the soonest would be this fall. The Trust is optimistic. They met with Rep. Young and his staff last week and they have a couple of possible vehicles for the bill. The bill has great support. There isn't a lot of opposition, but they are having some trouble getting people to champion the bill.

Vinsel asked whether the situation in Japan will raise the federal government's recognition of the need to harvest more timber. Slenkamp replied that the previous Kobe quake had a large impact, and this is much bigger. Maisch added that the Kobe quake resulted in more prescriptive Japanese building codes that emphasized stick-built houses. Nichols reported that the Kobe quake was in 1993 and 1994 was a banner year for construction. This time the real question is where people will rebuild because the damage was more from the tsunami, and it will probably be a year out before they make the decisions.

►Foley moved and McLarnon seconded a motion to approve the letter as amended. The motion passed unanimously.

Wood said that he appreciates the Board's action.

NEW BUSINESS I

2010 compliance monitoring update. Nudelman covered 2010 monitoring results (*see handouts*). This is the eighth year for Region I and II score sheets; and the seventh year in Region III. Score sheets should be part of every inspection now. This has been a successful program for operators and for the State. Operators have gotten used to the score sheets. They take pride in good scores and question why they don't get the highest ratings. The sheets are easy for them to review. DOF uses a 1 to 5 rating system, with 5 meaning that the BMP is fully implemented. Rating results are based on the calendar year. Field inspectors rate 49 BMPs in Regions I and II, and 46 in Region III.

Region I ratings averaged 4.8 overall, steady with the last couple of years. For the first time ever, there were no categories that averaged less than 4.3 regionwide. Last year there were issues on the road maintenance BMPs due to changes in operators in Southern Southeast and Afognak – those ratings improved this year. A lot of that reflects good onsite presence. We appreciate DEC's Kevin Hanley spending time on Afognak with DOF. The number of Region I inspections was down in 2010 on state land, but up on private land. Score sheets were not done on some

inspections. There were harvest re-entries on Long Island for the first time in several years, and a few other new operations in Southeast and Afognak Island.

In Region II, the average rating was 4.9, the same as the last three years, and better than the early years. Only two ratings were less than 4.0. Region II includes the Mat-Su, western Kenai Peninsula, and Copper River basin areas. There were noted improvements in two drainage BMPs over the last couple of years. Score sheets were completed on 60 out of 61 inspections in Region II on state land. There were only two private land inspections in 2010, largely due to end of NPI operations in Region II.

In Region III, the average rating was 4.7, which is up from 4.0 last year. This was good improvement from last year where there were problems with new road construction and BMPs on active and inactive roads. The problems were due to lack of maintenance funding in the absence of commercial operations and in the face of heavy use for person use harvests. There weren't water quality problems, but there were deficiencies in the BMPs. This year, there may not have been inspections on some of the problem roads identified last year, or personal use operators might be using different areas. The number of score sheets was down to 73 this year, but the number of inspections (101) hasn't gone down that much. This year we don't have the full sample. Another issue with the score sheets was staffing changes – DOF lost a resource forester in Delta and an area forester in Fairbanks. Region III had only one DPO and no inspections on private land in Region III in 2010.

Cronin said that this is a good comprehensive, consistent program. He asked if there a need for similar surveys on other issues, such as the salmon run problems mentioned by Dave Beebe. Moselle noted that the Habitat Division works to monitor stream restoration, but with FRPA there isn't much activity taking place within the stream that isn't captured on the road condition survey, so he doesn't know what else would be monitored. He tipped the hat to Sealaska's work monitoring the integrity of the buffers, and it might be worthwhile to find a way to continue that systematically. The upstream habitat surveys above problem crossings are also a value-added monitoring effort.

Maisch mentioned the idea of doing outreach with the legislature on road condition survey and compliance monitoring to tell the story that the Act is out there and has a rigorous compliance monitoring component. That's a success story. There's a new DNR public affairs officer to proactively address issues.

Kleinhenz said that it's also excellent that we can point out that not only are the operators getting better, but also that DOF is doing an excellent job of communicating what is needed to make the BMPs effective on the ground. Maisch said that DOF also needs to emphasize the importance of involvement from DEC and ADF&G.

HB 105/SB 44 -- Southeast State Forest additions. Rogers reported good progress on the bill in both houses. The bill passed out of the House Resources and House Finance committees without amendment, and DNR is working to try to get a floor vote. The bill also passed out of the Senate Resources Committee and is waiting for a Senate Finance Committee hearing. This is not a very controversial bill. DNR has letters of support from the Southeast Conference, Alaska Forest Association, Resource Development Council, Juneau Chamber of Commerce, and City of

Coffman Cove. Ron Wolfe, John Sandor, and Shelly Wright testified in support yesterday. The biggest challenge now is the short time before the end of the session and the focus on oil and gas taxes.

Rogers noted that hearings on the bill often include questions on broader forestry issues which DOF has used as teachable moments on log exports, domestic processing, firewood, riparian buffers, etc. It's good to have these opportunities. DOF has also met individually with committee members before the hearings. It's been a good process with a lot of dialogue on the Hill. There's a lot of interest in additional state forests. DNR asked a couple of legislators to hold off on legislation for a Mat-Su State Forest until the revised area plan is signed. A bill will hopefully surface next year when the revised area plan is signed. The demand for wood products, especially fuelwood is still there.

If the Southeast State Forest bill passes the House, it would become the vehicle for the Senate Finance review and Senate floor vote. The House and Senate bills are identical.

HJR 24 – Secure Rural Schools. Freeman reported that Rep. Wilson has introduced a resolution to extend the federal legislation regarding school funds. The legislation replaces funds from national forest timber sales with federal subsidies due to the lack of federal timber sales. Some of the funds also go to resource projects through local USFS Resource Advisory Committees. Nichols said that he doesn't like it because it allows the Forest Service to continue to not offer timber. Cronin stated that we should be pushing Congress to make sure more timber is offered rather than endorsing subsidies.

HB 91, cont. Wolfe expressed concern that HB 91 flies in the face of the BOF process. As a Board this becomes a test of our commitment to that process. He would prefer that the Board take a position counter to that bill. He doesn't know whether we need to do so at this meeting, but it's the first year of a two-year session. We need to be nimble to take a position. Things can happen quickly in the legislature. He would like to defer this to the summer meeting, but would like Board members to think about their commitment to this process, and discuss this issue. If the Board isn't committed to this process, he would like to know that. Maisch agreed that this merits continued discussion. He conveyed the discussion earlier in the meeting to Wolfe.

Vinsel asked whether there has ever been a legislative action to insert their will into FRPA other than taking up bills forwarded from the Board. Wolfe said that there no history of FRPA is complete without remembering the meeting in Bettye Fahrenkamp's office when members said there was a lot of process and involvement developing the bill, and they hoped it would come out of the legislature unchanged. Fahrenkamp said, "Who elected you?" However, the commitment to the process was so strong that no amendments were supported. Maisch noted that enough time has passed that many people weren't part of that process. It would be good for the Board to talk about this.

Cronin asked about the connection between the consensus process and HB 91. Wolfe said that the bill is a complete end run on the BOF process. Someone brought an issue here, didn't like our answer, and went to the legislature for another solution. The issue for the Board is how we respond to that. Maisch suggested that it might be good to have a panel discussion.

Vinsel asked about DNR's position on the bill. Maisch replied that DOF developed a paper and had a discussion with the Commissioner, but it remains an internal process at this time.

Status and trends of fish habitat project update. Doug Martin, Martin Environmental, presented a PowerPoint program updating the Board on this long-term project. Researchers collected more field data in 2010, but didn't do the analysis because of budget limitations. From looking at the data, results are similar, except that they are finding more beaver activity.

Last year DOF and Sealaska put in a proposal to the USFS State and Private Forestry program for a grant. The grant was awarded, but the money hasn't yet arrived. The project goals are to evaluate the combined effectiveness of FRPA BMPs in protecting stream habitat, provide timely feedback to the Board and others on scientifically credible findings, and facilitate effective stewardship planning.

The project will

- continue status and trends sampling program this year in 17 watersheds,
- integrate the data with other watershed information on riparian management, roads, and mass wasting,
- analyze the cumulative effects and communicate the findings, and
- incorporate the findings into stewardship plans.

This information will also help determine whether to continue the status and trends sampling in future years.

The information on status and trends is on stream reaches in the lower portions of watersheds in areas that are high value fish habitat and typically more sensitive areas. This study will pick up information on the impacts from other activities in the watershed, including areas that are above fish habitat. Are woody debris and sediment moving downstream? Buffers are leave strips between 66 and 300 feet. Wider uncut areas are just considered "forest". About 50% of stream corridor mileage in harvested Sealaska land on Prince of Wales Island remained in the "forest" category. This study will look at forest condition, windthrow, recruitment, landslides, downstream connectivity, clearcut area and age, road density, and stream crossing density. Researchers will use the road condition survey data as much as possible, along with remote sensing information, and ground data on status and trends.

This is a two-year project. Martin plans an aerial photo survey for spring 2012. The draft report is planned for March 2013, and the final report is due by end of that year.

This is a partnership between Sealaska and DOF, and they seek additional partners, including DEC, DFG, TNF, USFWS, UFA, conservation groups, and others. If there are burning issues that are missed, they want to hear about it upfront.

Nichols asked, "so what?" The question is whether forestry impacted the fish habitat or carrying capacity of the stream. Are there temperature, sediment, or food impacts? Martin said that the researchers are measuring fish habitat parameters in the reach study which include the most sensitive fish habitat. This study measures the same variables. It does not measure fish populations because there are a lot of other factors affecting the fish themselves (e.g., fishing pressure, marine conditions). Conditions vary year to year, but there's no downward trend in fish

habitat status. At the end of the study, we will be able to say, “Under the range of these conditions of roads and harvesting, these are the results in terms of fish habitat.” In some of the larger watersheds there have been changes due to upstream changes, not necessarily from the activities along the stream.

The watersheds range from nearly unlogged to 90% logged. Martin also has a USFS data set to compare to the data from this study.

Cronin asked about use of uncut buffers by deer in winter. He doesn’t know whether Tom Hanley includes uncut areas in his deer research. Martin said he has no idea; his research focuses on fish habitat. Wolfe added that Sealaska is interested in deer habitat issues. They hired Brian Kleinhenz back in part to use data from the fresh deer model to do a landscape level projection. Wolfe knows that the USFS is interested in this as well.

Hanley asked how including the watershed component affected the cost of the research proposal. Martin answered that the total for the project for two years is around \$350,000.

Moselle asked whether the study is looking at changes in stream flow. Martin said that it does not look at hydrology. There are many studies on hydrology and forestry throughout the Pacific Northwest. There are few stream gaging stations in Southeast, and more are being discontinued. Would have loved to include gaged streams in the study.

Wolfe stated that the mission with this work is to be able to say how effective FRPA is in protecting anadromous fish habitat. We can’t look at the fish populations because there are too many factors that affect it, but we can look at habitat. He is proud of the record of the study. This is difficult to do. Sealaska is particularly excited about winning the award, but Sealaska will do something on their own, if necessary, until the federal budget process gets worked out.

Through the years we have the benefit of good participation from partners which has resulted in a better, more robust scientific effort. Sealaska welcomes additional partners, subject to the limits of the available funds and the purpose of the grant. The partners are not trying to hide anything. BOF must keep getting the word out about FRPA’s success. If work of this caliber shows that FRPA is working we need to figure out how to get that information out. Nichols said that there’s an issue on how to disseminate this information effectively. Maisch noted that we want to be more proactive about our monitoring results, and this goes along with that. Wolfe stated that there’s a spectrum in the public – some people are already supportive of FRPA, and some will never be convinced. Getting good information out allows us to educate the middle part of the spectrum. Nichols commented that Alaska has a good newspaper system, and many people read the papers. We need to do a better job getting the word out.

Cronin stated that the challenge is getting other scientists to endorse the work. There is a community of doubting people who will question everything. Getting colleagues to back it up is important. Martin noted that there are three published papers on this work so far, and he will be presenting the status and trends work at the American Fisheries Society meeting in Seattle this fall [September 4-8, 2011]. There is a whole day and a half on “fish and fiber studies.” Maisch asked Wolfe to share any future information on the meeting.

Nate Soboleff said that this research can be viewed as a Sealaska project but it has a positive effect on all southeast land. He would like to see support and shift the perspective that it is “Sealaska science.” Maisch commented that it’s a good indicator that this was selected as part of a competitive grant process. Rogers added that the grant is from the US Forest Service, so we shouldn’t refer to it as a “Sealaska” project. Wolfe noted that in addition to three peer-reviewed papers there are many reports and they are available on the Sealaska website. Nichols emphasized that the time is right to push some of this information into the media. There is more reception in the public in the current difficult economic times.

Bosworth commented that this was a great presentation, and the way it is coming together is rewarding. He is glad that this kind of work is being done in Southeast, and recognized Wolfe’s leadership role in this effort.

Agency reports to the Board. Rogers summarized the DOF report (*see handout*). Much of the annual report has been covered with prior information during this meeting. Notable activities include biomass developments in interior Alaska, pre-commercial thinning accomplishments on state and native land in Southeast, closeout of a reforestation issue with Afognak Joint Venture and progress on other Kodiak-Afognak reforestation issues. This year there was an increase in the number, acreage, and road mileage of Detailed Plans of Operation, partly due to Afognak and Kodiak activity. Compliance and effectiveness monitoring and RCS results were strong

State timber sale activity was lower than the prior year. There is more activity in northern region. DOF didn’t fully use the allowable cut last year in Southern Southeast, but expects sale volume to be back up next year. There is continued high demand for personal use fuelwood. DOF is issuing close to 2,000 personal use permits per year. The Division continues to discuss difficulties with unauthorized personal use harvesting, including problems with reforestation and road maintenance. However, personal use is an important part of the DOF mission, and the Division has requested an increment this year to help provide access for personal use.

DOF made good progress on timber inventory in the Tanana State Forest and the Glennallen area. The inventory provides support for bioenergy projects.

Table 7 shows the current FRPA budget. In FY12, federal section 319 funding will be gone. The Governor’s budget includes an increment request in to partially offset that loss with General Fund money.

Rogers invited Board members to provide input on expected FRPA activity for 2011.

FRPA continues to be effective based on compliance and effectiveness monitoring. DOF issued no violations last year because DOF is running an effective preventative strategy. There is some improvement on compliance monitoring scores in Region III. Trend charts on p. 25 show the level of FRPA activity and funding over recent years.

Maisch added that the FRPA enforcement summary on p. 31 lists two carryover actions from prior years. An order to approve one settlement has been drafted. Forensic accounting is ongoing on the other to make sure the check was properly receipted before completing final resolution.

In response to a question about what will happen as the relatively accessible personal use timber is harvested, Rogers said, “There may be a revolution.” Maisch said that DOF will report on the budget initiatives tomorrow. He added that there is probably a significant amount of wood theft occurring. DOF staffers aren’t tree cops, but won’t turn a blind eye to it either, especially if there is commercial use of wood stolen from state land. Rogers added that DOF is also encouraging boroughs with accessible forest lands to help provide timber for this use. Maisch noted that air quality concerns add another element to wood burning issues in Fairbanks. DEC has issued at least two air quality citations to individuals for emissions from outdoor wood boilers, including one across the street from a school. That puts pressure on DOF to supply dry wood to help reduce air quality impacts. Wolfe stated that Sealaska has a pretty successful program in Southeast. They have worked with a variety of interests, landowners, and municipalities.

Kevin Hanley presented the DEC report. He is the sole DEC representative for FRPA statewide. He commented on all DPOs, state Forest Land Use Plans, and federal sales. Hanley participated in inspections on Afognak Island, and in the annual Tongass National Forest BMP implementation monitoring that was conducted on the Wrangell Ranger District. DEC is pleased that alternative funding was found for the status and trends of fish habitat study. DEC provided \$115,000 to DOF and \$85,000 to ADF&G from federal Section 319 funds in FY11, but can’t continue to provide funding in FY12.

When properly implemented, FRPA regulations are effective at maintaining water quality, and DEC doesn’t recommend any changes at this time.

Maisch will talk more about budgets tomorrow, including biomass harvesting increases in the interior, and the possibility for long-term timber contracting. That could change the face of timber harvest activity.

Kyle Moselle summarized the ADF&G report. Beginning in FY12, Section 319 funds won’t be available for FRPA work. DOF has requested an increment, and some money may be transferred to ADF&G through a Reimbursable Services Agreement, but it will probably be less than half the current amount of funding from DEC. The Habitat Division doesn’t have the ability to make up the funding gap, so there will likely be a proportional decrease in the amount of FRPA work by the Habitat Division.

The number of documents on which ADF&G commented has remained fairly stable, except for permitting work on the Tongass where extensive road closeouts are occurring. ADF&G concurrences for federal permits are up for those activities in the Craig and Douglas offices. The concurrences are for in-water activities similar to Title 16 permits, but they are on federal land. Under the MOU with the USFS, anadromous streams and resident fish streams are treated the same on federal land.

FRPA is effective in maintaining fish habitat. ADF&G looks forward to the road condition survey on the Kenai Peninsula next year.

Opportunities to help forestry in Alaska. Ron Wolfe encouraged Board members to keep their minds open for opportunities to work with the administration and legislature on forestry issues.

He hopes the record reflects that Sealaska thinks the compliance monitoring is very valuable. He encouraged DOF to do a press release on this. Believe Governor Parnell would be willing to help.

Maisch noted the items on wood biomass energy for the new federal facility, and the culmination of mean annual increment (CMAI) issue regarding second growth management on federal land as areas where the Board might help. Wolfe said that Sealaska will draft a letter of support for wood heat in the federal building.

Wolfe commented that the review of the impact of the National Forest Management Act CMAI rotation age requirement prior to regeneration cutting on the timber industry is the subject of a “cluster group” (working group) discussion. He is not sure that the Board has a direct role. Maisch stated that the CMAI concept is outdated. He explained that the USFS put out a contract to the Juneau Economic Development Council to work with several economic clusters on asset mapping – places with strong points and gaps. There are forestry, ocean products, and other clusters. It’s part of the development of a transition framework for the Tongass National Forest. Moselle said that the asset mapping provides information on what Southeast Alaska does well, and what it doesn’t do well, and encourages investment in things it does well. Maisch commented that the cluster meetings are all in Juneau, which limits participation. Nichols told the USFS that they don’t need another meeting – people know what the issues are.

Adjourn Day 1: 4:30 p.m.

TOUR OF SEALASKA WOOD PELLET BOILER

Nathan Soboleff led a tour of Sealaska’s wood pellet heating system for Board members and agency representatives. Sealaska welcomes opportunities to provide tours for other interested parties.

Friday, April 1, 2011

Reconvened 8:02 a.m. Brian Kleinhenz was seated as an alternate for Ron Wolfe.

OLD BUSINESS II

FY12 FRPA Budgets. Maisch reported some success with DOF requests for additional funds. A \$400,000 increment is included in Governor’s budget, to address FRPA and forest management issues, including road construction and maintenance, and pre-commercial thinning. This is half the amount originally requested by DOF. Maisch noted that DOF listed road maintenance problems in performance reports to OMB and that’s one of the items included in the request. DOF originally planned to pass-through enough funds to ADF&G to fully offset lost Section 319 money, but because only half the requested funds will be received, DOF will probably provide half the lost amount for FY12. The increment request is still in the budget at present, but the legislative process is not complete. DOF can shift funding among activities as needed depending on the year.

The Governor’s amended budget also includes a \$380,000 increment request for a fire academy, despite being overlooked in the initial budget.

The capital budget has requests for five items, including a \$600,000 request for forest access roads. The legislature hasn't taken up the capital budget yet. There is a lot of support for resource access. The funding would support roads built under DNR authority as roads for timber sales and personal use harvesting. DOF will work with the Division of Parks or the Dept. of Transportation and Public Facilities on engineering. This is primarily for new construction, but includes maintenance, culvert replacement, etc. New roads would be primarily in the Interior where there is firewood demand outside areas with commercial timber sales. There are some identified road problems in the Haines and Tanana Valley State Forests. Maisch emphasized that DOF holds the private sector to high standards for road maintenance. The state should hold to the same standards and in some cases that hasn't happened.

Other capital requests cover deferred maintenance, modular fire facilities, and program authority to collect receipts from federal and municipal agencies. Overall, the budget proposal is good news – increments in the General Fund budget are rare.

Hanley asked whether DOF staffing for FRPA will be status quo. Maisch said yes; the Division has been carrying a couple of vacancies, which will stay vacant. Rogers noted that state timber sale receipts are also down, and the increment would help offset that loss as well. If there's a drop in FRPA activity we will adjust staffing, but it is stable at present. Maisch also noted that if FRPA activity increases, DOF can use increased timber receipts. The Division's authority to use receipts has exceeded timber sale revenue the last couple of years. Most state timber revenue comes from Southern Southeast, followed by the Fairbanks and Delta areas. DOD has received less revenue from Southern Southeast because the success in getting the federal Logjam sale out shifted some harvesting from state to federal land. It is difficult to manage the state forestry program on cash flow within the year – DOF wants to have some funding to carry over.

Vinsel asked about the price for personal use wood. Maisch replied that it is generally, \$10 cord, with a three-cord minimum, up to 10 cords. On the Kenai, firewood is free because of the amount of dead timber and the state's desire to get it used before it ages too much. DOF may change that policy. DOF has an on-line permit for personal use permits to help with consistency. DOF is talking about raising the price. There is a balance between people actually getting permit rather than cutting timber illegally, and still getting fair revenue. Rogers added that some area offices don't charge a fee if there's an objective to clear out hazardous timber. Vinsel stated that the fee would only be the cost to fill out and file a permit. Freeman said that doesn't apply with an on-line permit. Maisch said that this is a delicate issue with the legislature – they treat firewood harvesting as a right.

Vinsel wanted to note for the record that it seems like a perception of an entitlement. He doesn't see public attention to the issue that nature's ability to provide the resource is limited. It's similar with fisheries – there are attitudes of entitlement when a resource is limited and population growth is not limited. People need to remember that the resources belong to everyone. Maisch concurred. DOF expects another jump in firewood interest. Some people want 50-100 cords under the public use program. The Division tries to direct them to commercial sales or buying from a commercial vendor.

Cronin asked whether it is a problem for the public to know whose land they're on. Maisch said it is sometimes. Timber theft occurs on both public and private land. DOF tries to make sure people know where the boundaries are. That's a benefit to having people come for a permit in person. DOF tries to post open areas in the woods and publish maps.

Maisch noted that some people cut personal use logs and hire someone to cut them down further. Bosworth said that in some cases there's a deal with a sawmill operator who keeps half the wood. Maisch stated that by law you can't barter, trade, or sell personal use logs, but it probably does happen some.

Vinsel asked whether fish and wood are the only personal use resources. Maisch replied that there is also non-commercial use of materials, and non-timber forest products such as botanicals and sap.

Kerry Howard presented the ADF&G Habitat Division budget. Under ideal circumstances the ADF&G FRPA budget would be about \$135,000, of which \$85,000 has been Section 319 money. She appreciates the potential for an RSA of about \$40,000 from DOF, but even with that the total ADF&G FRPA budget will be down to about \$100,000. The amount of funding for FRPA is about the cost of two heart surgeries, and it's the difference between the program being healthy or not. The FRPA program may be okay if forestry activity is down, but it will be problematic if there are increases. It is a problem to have a program in statute but not have it adequately funded - it will be difficult to implement it. An increment is rare - it has to be for a glamorous item like the gasline to succeed. Without the DOF increment, we'd be nowhere. A year from now, if we have to say we can't go on an inspection or review a document that will be the reality of the budget. ADF&G will prioritize needs, and its staff members are experienced and efficient. The FRPA budget supports parts of about 20 biologists, and some may not be able to do any FRPA work with the budget reductions.

Maisch stated that DOF and ADF&G need to get together and discuss budget strategy for next year. If the agencies see an increase in an area like biomass, they may be able to use that to help ensure adequate inspections. The three-legged approach with DEC and ADF&G participation is essential to credibility. The Board may want to weigh in even more aggressively in the future. Howard added that her ADF&G staff is enthusiastic and likes to be out in the field. Every budget cycle is a new opportunity. The budget requires constant monitoring year-to-year. The Habitat Division will know in three weeks where it stands.

Cronin asked whether field inspections are concurrent with Moselle's work. Moselle said that it is all part of the same division, and Howard oversees all those activities. Agency exams occur as a team. Howard said the agencies want to be together to evaluate an operation at the same time, and it's more efficient. Maisch noted that in the history of the Act, having ADF&G and DEC in the field with DOF was important to the environmental community to ensure their interests were protected. That is still critical to the credibility of the program.

Nancy Sonafrank, DEC Water Division, reiterated that DEC is looking at not providing Section 319 funding to DOF and ADF&G in FY12. The DEC budget is down, and DEC costs are higher with assumption of the stormwater permitting. The continuing federal budget is what DEC would operate under in state FY 12; Congress hasn't taken up the federal fiscal year 12 budget yet and

the President's budget has 18% cut to Section 319 nationwide, which could make DEC participation in FRPA difficult, because that's the support for DEC's FRPA staff.

Maisch emphasized that the three agencies may need to do some strategizing together. Sonafrank reported that past attempts to acquire state funding haven't even gotten past the Governor. It's hard to replace lost federal funds. It's also difficult to fund forestry projects with ACWA grants these days.

State forestry planning updates. Jim Schwarber, DOF planner, said that the draft Susitna-Matanuska Area Plan is awaiting adoption by the DNR Commissioner. There's a commissioner briefing scheduled for May. The draft plan includes designation of 700,000 acres of land for forestry and a recommendation these lands be considered for legislative designation as a State Forest. The adoption of a forest management plan will replace the 1991 Susitna Forestry Guidelines.

The Tanana Area Plan is split into the Yukon-Tanana Area Plan and Eastern Tanana Area Plan (ETAP). DOF provided information on lands for forestry designations and management intent, e.g., to support fire management and biomass harvest in ETAP.

Planning for the 4,000-acre Tok Research Forest is underway. The University gained title to the research forest under the lands bill a few years ago, but the forest was returned to DNR when the bill was found unconstitutional. To protect research such as ongoing growth and yield studies, DNR is developing a leasehold location order for mining requiring a lease for mining in the research forest. It is surrounded by the Tanana Valley State Forest (TVSF) on three sides, and by designated forest land on the fourth side. DOF recommends considering adding it to the TVSF.

The 360-acre Homer Demonstration Forest was established 1986 with an Interagency Land Management Agreement that expires in May, 2011. Schwarber is working with the Kenai Area Office and the Division of Mining, Land, and Water to renew the agreement. A lot more paperwork is required now, and the divisions are working through the administrative steps. Schwarber expects it to go smoothly.

DOF is coordinating with SHPO on improving working relationships on mutual responsibilities for protecting historic resources. The Alaska Northern Forest Cooperative is designing a workshop on meeting biomass needs and cultural resource survey needs simultaneously.

Maisch noted that a management plan is required within three years after designation of a State Forest. DOF has held off on planning for the Southeast State Forest (SESF) pending legislative action on the proposed additions to this forest [HB44/SB105]. Schwarber added that DOF has held off on formally initiating the public process, but has started internal discussions, and is drafting a planning process to go into effect after this session. If the SESF additions bill is not passed this year, DOF will move ahead carefully, but designing the process to incorporate legislative action if it happens in the second year of the session.

Regional updates and status of local industry. Clark introduced Ruth Monahan, deputy regional forester for the USFS Region 10.

Timber supply is a big topic for the Coastal Region Office. There is increased demand for both firewood and traditional timber. The Southern Southeast Area Office has sold three times as many sales this year as last year, and much more volume. The Office is putting together a large volume of timber for purchasers. Proposals include unharvested portions of two returned sales, and there is demand for those two sales. Firewood demand is new for state land in Southeast – most people have gotten it from the Tongass National Forest in the past. There is an increase in demand for state firewood, especially in the Ketchikan area.

The Haines Area Office sold six timber sales for the Mental Health Trust and one state timber sale this year. The Area is putting together a new Haines State Forest inventory. They also are seeing an increase in requests for larger timber sales. The state program has been for small operators in past.

The Kenai Area has nine ongoing sales. They will plant 30,000 seedlings this year to catch up on the reforestation backlog.

The Mat-Su Area is receiving increased fiber demand from mills and firewood users.

Bosworth asked why trees are replanted in Kodiak but not Southeast. Clark answered that in Southeast, natural regeneration is sufficient to meet FRPA standards; natural regeneration slower elsewhere. Rogers added that landowners on Kodiak had to plant to deal with competition problems and rabbit browse on seedlings. Maisch explained that Kodiak shares some of the challenges to reforestation that the boreal forest has. Harvested areas on the Kenai need forest restoration after the spruce bark beetle infestation; DOF is planting as possible. Seedlings are grown from local seed that is sent to contract nurseries in British Columbia. Alaska used to have a state tree nursery but couldn't operate it at a scale to sell at a competitive price. The USFS is also slowly moving away from agency-run nurseries.

Mark Eliot, DOF Northern Region Forester, reported that the Fairbanks Area has 14 sales slated for a May 3 auction. They dropped one sale due to issues raised by the State Historic Preservation Office. That sale needs an extensive survey. Over-the-counter timber sales are steady. Stumpage appraisals for birch increased from \$12.47 to \$20.17/CCF (hundred cubic feet); the appraised price for spruce gained marginally. DOF met with the Alaska Railroad Corporation and the Fairbanks North Star Borough on joint operations to help the borough put up sales and a firewood demonstration area near Salcha as the railroad moves forward on their rail extension. Locals want to learn how to do firewood harvesting.

Seismic testing is occurring in the Nenana Basin and the Fairbanks Area is working closely with the companies to avoid conflicts. A bioharvester contract is moving forward with the Fairbanks Economic Development Council. The Area is meeting with the Superior Pellets company on their needs. Firewood supply remains steady.

The groundbreaking for the biomass boiler installation at the Delta School is scheduled for April. Delta Area timber sale layout and timber harvesting continue on the west side of the Tanana River while the ice holds.

Tok Area timber sale layout and firewood sales continue. Everyone is pleased with the Tok School boiler operation – there's still a lot of excitement and support which is driving some of the Alaska Power and Telephone interest in wood energy. The school is still planning to move forward with a power component at the facility. Maisch noted that if it is built, it would be the first facility providing power from wood. Plentovich clarified that the Tok School Combined Heat and Power project was funded by a line item from the Legislature, not the AEA. Maisch said that a power facility would be another step forward for increasing demand. DOF has to ensure supplies are sustainable. One challenge is that energy generation can use a lot of material that DOF didn't consider commercial in the past, so new supply information is needed.

The Valdez-Copper River Area is burning slash and working to identify personal use and commercial timber sales.

DOF met with the Tanana Valley State Forest Citizens Advisory Committee last week. Thomas Deerfield with Alaska Power and Telephone spoke on their desire for a long-term timber sale to support a wood power facility. Dane Crowley with Superior Pellets also talked. DOF wants to make sure people are aware that increased harvest levels are on the horizon. The Division also is interested in keeping an eye on large woody debris and forest practices impacts. DOF is working with Tom Malone from the University of Alaska, Fairbanks. Lastly, the Northern Region is preparing for the upcoming fire season even though it was 15 degrees below zero this morning.

Wood boiler standards. Devany Plentovich, AEA, reported that the boiler rules issued in February were significantly improved from the original proposals. They will be open for additional changes, but we have to follow the requirements in the interim. The rules apply to all commercial or industrial boilers including wood-fired systems. Existing and new boilers require a tune up every two years. Stack testing is not required any more. No Alaska boilers large enough to need additional assessments. Existing boilers have one year to get their first tune-up and submit documentation. Tune-ups should be done anyway. Optimizing emissions is a technical process – Alaska may have to add that to the boiler inspector's job. The revised rules are not a big burden overall. It may be possible to train operators to do the tune-up – it can be done with portable equipment. The federal Environmental Protection Agency, Dept. of Energy, and Dept. of Agriculture (USDA) will provide technical assistance to help implement the rules.

Wood energy updates. Plentovich reported that AEA is working with DOF on biomass resource assessments. They provided \$75,000 to Doug Hanson through a one-year reimbursable services agreement. The agreement can be extended for two more years. DOF is using available imagery to estimate available supply and delivery cost. The first priority for assessment is Tanana, then Gulkana, Galena, and Kenai. The Tanana assessment is partly funded by the Dept. of Energy.

AEA is developing a program for pre-feasibility studies to be managed by the Cooperative Extension Service, with a steering committee that includes non-governmental organizations and state, federal, and local agencies. The committee will prioritize communities for assessments, conduct the assessments, and move forward through the USDA funding process. Dan Parrent from the USFS and Bob Gorman from Cooperative Extension are both involved.

Plentovich announced a new state grant program to expand energy sources for Alaskans by funding demonstration projects of technologies that could be commercially viable within five

years. The Emerging Energy Technology Fund (EETF) is already receiving applications for a variety of projects. AEA wants to develop partnerships with grantees. There is a rigorous application and review process, and constructive technical and economic oversight. The Fund has received 57 applications for screening process, including five biomass applications. The applications total \$22 million in grant requests; only \$4.8MM is available. The final selection of grantees is expected by June 27, 2011.

Maisch asked whether supply feasibility is part of the application assessment. Plentovich said yes.

Plentovich announced the April 25-27 Wood Energy Conference in Fairbanks. The first day has field trips which are already full. The other days will be discussions focused on developing projects for district heating systems, and combined heat and power systems. Go to the AEA website to register [<http://www.akenergyauthority.org/biomassakwoodenergyconf.html>]. About 75 people are registered so far.

Letter of support for Southeast State Forest, cont. The Board considered and edited a draft letter provided by Freeman (*see handout*). Bosworth moved and McLarnon seconded a motion to approve the letter. The Board approved it unanimously.

Letter of support for USFS Forest Sciences Laboratory. The Board considered a draft letter (*see handout*) from Ron Wolfe. Ruth Monahan clarified that the facility is funded, but the USFS is still in the design phase for the facility. She has asked Dan Parrent to review the contractor's assessment and assumptions. Maisch noted that the facility is also looking at a geothermal option. Monahan said that the process will evaluate cost, long-term maintenance, etc.

Foley moved and McLarnon seconded a motion to approve the letter. The Board unanimously approved the motion.

NEW BUSINESS II

Alaska wildland fire policy. Maisch presented a PowerPoint overview of the DOF fire policy. In the past, the Board has focused on FRPA and forest resources, but as conditions change and fire becomes even more integrated into forest management DOF is trying to figure out how to do more outreach on fire management planning. Maisch is interested in Board feedback on this topic.

DOF provides wildland fire protection on state, private, and municipal land commensurate with the values at risk. DOF cooperates with the Bureau of Land Management Alaska Fire Service and USFS, as well as structure fire departments. Safety for the public and for the fire staff is paramount. Fire management includes fire preparedness, fire suppression, state fire assistance, and volunteer fire assistance. Tom Kurth is the current Fire Program Manager.

DOF protects 152 million acres, generally in areas closer to roads and communities. Close to a million acres burn annually on the average in about 600 fires. Averages for the last 10 years are higher.

The Fire Management Program has a very complex budget – suppression and preparedness are separate components, and fire seasons always span two fiscal years. The Fire Management

Program has 33 full-time and 181 seasonal positions. Funding includes state money and pass-through federal and municipal funds. Fire Preparedness includes aviation, training, contracting, and equipment. Fire Suppression covers costs in fighting fires when they occur. Suppression funding is based on a 10-year average, but it hasn't been updated recently. When suppression funds are expended within a fiscal year, the legislature provides additional funds through one or more disaster declarations during the fire season. Last year's fire suppression cost \$80 million, but the budgeted funding is approximately \$13 million annually.

By interagency agreement, DOF responds to fires in the southern half of the state, the Bureau of Land Management (BLM) in the northern half, and the USFS in the national forests, regardless of the underlying land ownership. Fire management decisions are made consistent with landowner objectives and agreements under the Alaska Interagency Fire Management Plan. The Plan also establishes protection priorities. Most land is in the Limited Protection level where fires are monitored but not attacked. The plan recognizes that fires are ecologically important and costly to fight. Areas near communities and roads are in Critical Protection. Other valuable resources are in Full Protection.

Alaska is the only state that has pre-planned the whole state and has agreements across major landowners and agencies. It is difficult to do outreach to individual landowners of small parcels. It is hard to keep them involved.

Nichols asked how timber resources play into the fire suppression decisions. Maisch responded that planned or sold sales are considered in site-by-site decisions.

Maisch pointed out that 11 million acres burned in 2004-2005. The average area burned for the last ten years is about two million acres per year, but there have been both highs and lows. The increase in acreage burned and longer fire season is well-documented. Last year was the worst May on record.

Fire Preparedness goals include reducing the number of human-caused fires, reducing the cost of fire suppression, and maintaining the capability of state and local fire-fighting organizations. DOF keeps the warehouse, communication system, weather stations, aircraft, suppression equipment, emergency equipment contracts, and interagency agreements in order prior to and during start of season.

Most big fires are lightning-caused fires. Maisch showed the process involved in fighting a fire using the Boundary Fire as an example. Operations include detection; dispatch; response on the ground, by helicopter, or with BLM smokejumpers; air attack control and fire retardant drops; use of direct and indirect attack; aviation support; providing supplies, equipment, and food to fire fighters; investigation of human-caused fire starts; mop-up; and refurbishing equipment.

DOF is involved in fire prevention through school programs, Smokey the Bear, Firewise home inspections, public service announcements, and publications. DOF presents Fire in Alaska classes to teachers and students. The Division would like to do more fire risk reduction, but it depends solely on federal funding at present. Biomass projects could help reduce costs of risk reduction. DOF also maps wildland fire risks with GIS.

Training is a major effort – annual refresher courses and physical tests are required for all firefighters every year. DOF conducts over 150 courses each year for approximately 2,500 students. DOF training conforms to national standards to ensure consistent training. This allows Alaskan fire fighters to work nationwide.

Some prescribed fire is used in Alaska for improving wildlife habitat, but funds are limited. DOF has conducted prescribed burns with funding from ADF&G and the Ruffed Grouse Society. The Division would like to do more. The best time to conduct prescribed burns is when weather conditions are also conducive to natural fire, which makes it difficult due to smoke, and lack of available staff.

There has been a 50% increase in the length of the growing season in Fairbanks since the turn of the century. Mean annual temperatures have increased as much as four degrees Fahrenheit from 1949-2009.

Tom Kurth described the Joint Fire Science Consortium at the University of Alaska, Fairbanks (UAF). The Consortium takes input from fire managers to focus research into key areas. They are trying to close the gap between university research and the fire program. Topics include fire preparedness, fire indices, fire prediction modeling, fuelbreak effectiveness, etc.

Kurth also noted that federal fire fighting capacity has decreased. The US Dept. of Interior, including the BLM Alaska Fire Service, projects budget cuts for fire management up to a total of 30% over the next few years. BLM They will have to reduce their services. BLM is the Division's main partner in fire management in interior Alaska.

Other challenges include the expanding wildland-urban interface, proliferation of remote recreational cabins, climate change, staff recruitment and retention, facility upgrades, and maintaining state capacity as funding tightens.

Maisch explained that Type 2 hand crews are the main source of emergency fire fighters. There are about 74 crews statewide, many from rural communities. The crew payroll is important to the bush economy. Crews also can fight fires in the Lower 48 and Canada in severe fire years. Type 2 initial attack crews have a higher level of training, and do hazard mitigation work when not fighting fires. Type 1 crews have the highest training level. Alaska is always short of Type 1 crews – there is only one currently based in the state. DOF would like a Type 1 crew and a Type 2 initial attack crew in each half of the state. The Division requested funding for these crews from the Office of Management and Budget, but it would require a two million dollar increment and 80 additional staff positions which would be a big deal in the legislature. The types of fires occurring now demand more training.

Vinsel asked whether there are enough qualified applicants for rural crews. Maisch said that there were in the past, but there are current challenges with retention in both the full-time and seasonal fire work force. DOF is emphasizing bringing in new young firefighters to the system through the Fire Academy offered last year, which gives them more career opportunities. There's an opportunity to get an Associate's Degree in fire management through UAF. DOF is trying to build a career ladder, so we're excited about the budget increment for the fire academy.

Vinsel asked whether there is a good enough pool of applicants who can pass the physical test. Maisch said yes; the challenge is finding mid- to upper-level fire managers who manage a number of people and complex operations.

Maisch explained that there are also Type 1 and Type 2 Incident Management Teams. Local staff attack new fires (“initial attack”). The Teams manage extended attack for fires that escape initial attack. There are two Type 2 teams and one Type 1 team made up of state and federal employees. Kurth is the Incident Commander for the Type 1 team. There are only 16 Type 1 teams nationwide. Type 1 teams respond to all types of incidents. For example, the Alaska Type 1 team has served on missions to the World Trade Center and Hurricane Katrina. DOF is having trouble recruiting mid-level staff capable to staff these teams. It’s a national issue.

Alaska Coastal Management Program (ACMP) update. Randy Bates, DNR director of the Division of Coastal and Ocean Management (DCOM) oversees the Coastal Impact Assistance Program and the ACMP permitting program. The Coastal Impact program is a one-time \$80 million program. The ACMP is very controversial. A 2005 bill established a 2011 date for ACMP to expire. The program will only get extended with a new bill, and legislators are requiring program changes for passage of any bill. The Governor proposed a six-year extension; the Senate Finance Committee countered with a one-year extension to force the issue of substantial program change. The co-chair of the Senate Finance Committee zeroed the ACMP budget and eliminated 36 positions, but some of that is politics. Today is the tenth hearing in the House Resources Committee. Lots of information has been exchanged; DCOM is engaging with the committee on what change could look like. Bates expects more House Resources amendments clarifying district boundaries and authorities. The Governor wants to retain ACMP with a strong state presence and support for resource development. There are 16 days left in the legislative session. Bates expects the legislature to retain the program for the future; the challenge is getting through with a bill with which the Governor is also comfortable. The program is valuable.

DCOM maintains a General Permit with the USFS – federal timber sales are consistent with ACMP through the General Permit. DCOM is working on an expedited review process for additional state timber sales and thinning operations where just standard stipulations apply.

Foley commented that one big issue is village concern over disenfranchisement. What will it take to appease them? Bates said that the villages want to bring DEC back into the coordinated consistency review, and the Governor won’t do that. They also want creation of a Coastal Policy board, appeals body, council or some body in which they can have more influence. The state is willing to do that as long as the DNR commissioner has the final decision. They also want the ability to expand district coastal policies for timber, mining, docks, etc. Their authorities are limited at present. The 2003 ACMP changes limited what coastal districts can do. DNR and the coastal districts want more objective, clear guidance on district authorities. He believes they are getting closer to an agreement.

Burn permit regulation amendments. Jim Schwarber, DOF, presented the draft burn permit regulations (*see handout*). The old regulations were out-of-date. The DOF fire staff developed a number of changes to lessen the administrative burden while promoting safe burning practices. The draft simplifies the required information for a permit. DOF plans a formal 60-day public review period after they have responded to the comments received during the agency review

period. There was some question regarding the authority for adopting the regulations – there is authority for fire management regulations under two statutes, one of which is FRPA. The conclusion was that the burn permits do fall under both FRPA and the other authority, and citing both is beneficial. Because the regulations are under FRPA authority, DOF wants to be sure the Board is aware of the draft regulations and has a chance to raise any concerns or issues.

Invasive species strategic plan and regulations. Gino Graziano, DNR Division of Agriculture Invasive Weed and Ag Pest Management Coordinator, explained that his position covers insects and diseases, including forest pests. The strategic plan (*see handout*) was out for public review in February. Graziano worked with DOF entomologist Roger Burnside to include information on forest pests. Graziano is reviewing agency comments before putting the final draft out on the website. The main focus is on invasive plants, but it also covers insects and diseases. The control and management section discusses strategies for addressing problems, needs for control options, and strategies to prevent movement of pests within the state.

Maisch commented that sometimes herbicides are needed to control invasive plants. Have herbicides been used for that in Alaska? Graziano said that there has been some herbicide application by Soil and Water Conservation Districts (SWCDs) on private or borough lands where a DEC pesticide use permit isn't required. Federal agencies are starting to do NEPA analyses on use of herbicides to control their infestations. The state Division of Agriculture is looking toward getting pesticide use permits for problematic infestations on roadsides before they get out of hand. A permit required for herbicide use in state rights-of-way. We will see whether there is a large public outcry. Past federal efforts have run into some backlash from the public, but their decisions haven't been tested in court the way they were with the railroad proposals for herbicide use.

Vinsel asked whether existing staffing is sufficient to carry out the strategy. Graziano said that the agencies and partners are picking away at it, getting grants, and using SWCD efforts as trials in the DEC permitting process. Working with DEC will be a priority once the DNR strategy and regulations are final. Vinsel noted that if HB97 doesn't pass, the coordinator won't be funded, and even if the bill passes the position is only funded for one more year. Graziano replied that the position would likely be subject to annual funding requests, like many state activities.

Cronin said that he has talked to some people in Anchorage who are concerned about over-regulation of gravel cleaning. What cost-benefit analysis will be in the plan for requirements relative to their importance? Graziano said that they need to look at costs of prevention, control, and invasion. The goal is to develop a voluntary program to produce certified weed-free gravel for use in sensitive lands, e.g., near streams, in parks, etc. Weed-free gravel would not be required for other uses like below pavement. The certification would just cover problem weeds, and provide a value-added product for gravel producers. Graziano has spoken to the Alaska Miners Association and the gravel association about this.

Kleinhenz asked whether there has been prioritization of species that are more likely to have significant economic impact, such as threats to commercial forestry or agriculture. Graziano responded that there are two systems for prioritization developed by the Alaska Natural Heritage Program – one for plants (weeds), and one for animals, insects, and diseases. The weeds list ranks about 170 species for invasiveness and changes to ecosystems, but does not specifically include economic costs yet. That would occur more on a local level. The species that rank high for

impacts are typically those that affect salmon habitat, impede tree recruitment, etc. The Heritage Program has recently started ranking animals, insects, and diseases.

Vinsel asked whether there is a labor pool available for rapid responses. Graziano replied that SWCDs have gotten funding for youth crews to attack some weed populations in the early detection category. They don't have funds for a true emergency when something unanticipated pops up. Alaska has had some emergencies, like finding giant hogweed in Kake last year. The state got federal Animal and Plant Health Inspection Service (APHIS) funding because giant hogweed is a federally-listed noxious weed. Without that listing Alaska might not have been able to identify funding as rapidly.

Maisch asked about a recently discovered aquatic invasive around Fairbanks. Graziano explained that it is Canadian waterweed – *Elodea Canadensis*. The Fairbanks SWCD is leading the charge on that. ADF&G has participated in meetings, but their invasive species coordinator hasn't yet been involved – she's working primarily on marine invaders. Graziano believes ADF&G has important regulatory authority in this arena, although DNR manages the river bottom. He doesn't care who does it – we just need to kill it. More ADF&G involvement is needed. Graziano said that the Fairbanks SWCD is trying to get grants to manage it. He needs to get Tammy Davis, the ADF&G coordinator, involved, and work with the Attorney General's Office to clarify authorities. Maisch said that it is unclear who should take the lead, but it is important to address it quickly. Moselle said that aquatic plants are mostly managed under ADF&G Commercial Fisheries Division authority, and most permitting, that he is aware of, is focused mostly on marine systems. It should be Tammy Davis who's involved on this issue for ADF&G. Graziano said that some issues will clear up as the Fairbanks SWCD starts to work on permitting.

Moose/Highway initiative. Cronin presented a short PowerPoint program at the request of Gary Olsen, executive director of the Alaska Moose Federation. The Federation works to enhance moose as a resource. They are trying to get fewer collisions with moose on the highway. The Federation is working with the Lt. Governor and legislators to support this effort. The rights-of-way in Southcentral Alaska are currently good moose habitat. They want to make them less attractive to moose and draw moose away from the highway by enhancing winter habitat away from the roads. Alaska averages 700 moose-vehicle collisions per year at a cost of \$35,000 per collision. In 2007, six people died in these collisions. Rights-of-way often have the best moose habitat. Abandoned calves often gravitate there. This is a common sense approach. The primary purpose of habitat enhancement isn't to increase wood production but it could be a side benefit. He believes that the Federation already has ADF&G support.

Maisch stated that DOF encourages the area offices to work with the Federation on projects, such as providing travel corridors off the highway. McLarnon commented that they have gotten moose off the highway, but there are now more conflicts with moose on the winter trail systems.

Kleinhenz said that moose habitat enhancement is another good way to support a vibrant timber industry, and it is a nice intersection between forestry, habitat, and public safety. Cronin observed that there are a lot of issues involved with resource management and public safety. Nichols asked about the state Dept. of Transportation and Public Facilities' (DOT&PF) response. Cronin believes that DOT&PF are supportive along with the Lt. Governor and legislators. Maisch noted

that one of the slides says DOT&PF supports having sufficient habitat in rotation to draw moose away from roads. Cronin said that the Federation is working mostly with Corey Rossi at ADF&G.

2010 Board report to Governor.

- Nichols said that the Roadless Rule and the TFR decision to not address timber anymore makes state support for Clarence Clark and Kyle Moselle one of the most effective things in the Tongass arena. It's one of the few ways the state has impact on the federal side. Bosworth supported that – it's a positive statement rather than bashing another agency.
- Maisch stated that the compliance monitoring, effectiveness monitoring, and road condition survey results and the agency reports should be tied together to indicate effectiveness of the Act. Include some statistics from the road condition surveys.
- Vinsel is encouraged by the Sealaska wood boiler tour, wood energy expansion, and the synergy in Tok between fire suppression and wood fuel. That segues to the concept of personal use access to a resource where there aren't defined limits based on productivity. The projects with huge public benefit through allocation of state resources may be negatively affected by unbridled personal use. Personal use fishing and increased demands from population centers are shutting down commercial fisheries that previously provided jobs in the Cook Inlet area. He wouldn't want that to spread to other economic sectors. Maisch said that the letter could include some discussion of sustainable management applying to personal use. Nichols said that you have to ask yourself about the percentage increase in permits. There's a huge amount of forest land that isn't fully used. There are a lot of decadent birch stands that could be managed for better growth. Perhaps the state should manage specifically for public firewood. He gives a lot of firewood away and it's a whole family activity for some. Maisch said there is sometimes a perception that the state should just give the wood away. Foley commented that firewood for fuel is a means of providing energy relief in communities where that is a recognized state issue, but people are still expected to pay for that fuel. We should educate people on the need for access and capital costs for roads for access to the fuel. Nichols commented that forest roads also provide for hunting, recreation, etc. Maisch added that roads double as a winter trail system, even though DOF doesn't promote that use. He urged caution with respect to the silvicultural exemption for Army Corps of Engineers permits when touting multiple use of forest roads.
- Foley recommended mention the Section 319 funding issue in this letter. Maisch said that there is an opportunity to thank the Governor and legislature for funding work that was done this session, and note the funding challenges ahead, especially for ADF&G and DEC.
- McLarnon encouraged the state to consider wood fuel and use of local fuel products for state facilities.
- Freeman suggested including thanks for support of the Southeast State Forest and express hope to work for other State Forests in the future
- Freeman noted that the 2010 letter supported resolution of forest land issues in Southeast, including the Mental Health Trust and Sealaska issues.
- Maisch recommended kudos to AEA for managing the renewable energy fund, and support for assessing sustainable wood energy supply assessment.
- Maisch observed that wood energy issues stitch the three regions together; other items are unique for each region.
- Nichols reported that Chinese demand for Alaska wood continues. That export market has been extremely important to Alcan, and has made more timber economically viable. Maisch

said that the letter could include a description of the difficulty of supply in Southeast. Nichols emphasized that the Southeast situation could continue to worsen. The USFS is unlikely to sell more timber under the Roadless Rule than they did while the exemption was in place. Foley supported saying something about the Southeast Alaska land exchange and its importance to the industry. Rogers said that the letter could discuss the importance of stable and clear land tenure, including State Forests, the MHT exchange, and the Sealaska entitlement.

- Kleinhenz said that recent accomplishments with second-growth markets in Asia emphasize opportunities for Alaskan wood. Nichols said that the industry is ahead of the agencies on techniques for harvesting second growth. Sealaska harvested near 20 MMBF in second-growth last year – close to the total volume of USFS sales. Cronin said that the Governor is aware of the federal timber supply decline – the letter can keep the statement brief. Nichols countered that we need to look out five years with regard to supply, without a Sealaska settlement, and with the Roadless Rule. Kleinhenz explained that Sealaska can bid on USFS timber sales, but they limit the amount of export which is Sealaska's strength. Clark noted that many federal sales would be deficit sales if they didn't allow some wood export; without allowing some export the sale wouldn't be purchased at all, and then none of the wood would go into local processing.
- Clark said that available USFS volume will decline significantly with the restriction to roaded areas. The USFS is counting on the transition to young growth harvesting, but there won't be enough volume to sustain the whole industry. Viking Lumber Company has said they would need 50 MMBF of young growth per year. There are some bright spots like rising hemlock prices, but the Roadless Rule decision can't be ignored. Current SE mills would need 60-70 MMBF; adding in Sealaska would mean 100 MMBF total, and there isn't enough in the roaded area to sustain that. Nichols said that the timber base is there within TLMP. Clark said the timber base is not sufficient within the Roadless Rule. Maisch stated that the ruling invalidated TLMP.
- Clark suggested that to stay positive you can talk about increased second-growth harvest, and development of new markets (e.g., western hemlock). The future is bright if the supply is available. Supply might increase through the lands bills, challenging the Roadless Rule, etc. Kleinhenz said the letter definitely needs to comment on the Roadless Rule. Cronin said that Congress ought to be addressing this and determining whether they agree with the Rule. Kleinhenz said that the USFS should focus on areas where they have room to move, including roaded second growth, much of which is deemed unsuitable for harvest under other restrictions, including much of the oldest young growth. Nichols stated that the USFS plans to quit cutting old growth – the only question is when.
- Moselle – wants to engage the ADF&G leadership team on the consequences of the Roadless Rule shift. The Rule will concentrate harvest in the roaded land base. Does that present a subsistence concern that wasn't there under the adaptive management strategy for TLMP? A lot of first harvests were in ecologically valuable areas that are now off-limits due to beach buffers, riparian areas, karst, etc. ADF&G already commented on Wrangell Island where there are watersheds with >20% harvested that resulted in increased stream sedimentation. TLMP was a compromise plan that did a pretty fair job of balancing issues. He would be happy if USFS just fully implemented it.
- The letter should be sent to the Governor and copied to the resource committee chairs, House Speaker, Senate President, and Congressional delegation. Nichols asked whether it should also go to communities with interests in timber, and Southeast Conference.

- Vinsel commented that public safety touches forest policy in multiple places – road maintenance, fire suppression, landslides, etc., but it’s not necessarily a goal for FRPA. Maisch said that the letter should include an update on the S&TC outcome and the Board’s decision to convene an Implementation Group for BMP review. The Board wants to be able to ensure public safety, but is not sure whether it should be under FRPA. The Board needs to continue to think about this topic. It will be a delicate situation if HB91 moves – would the Board speak against public safety? Nichols replied that any one harvesting is in a public safety situation because of liability, but it’s sticky how you put it in regulation. Everyone’s always concerned about public safety. Kleinhenz said it can be tempting to take on more than is appropriate. We don’t necessarily have to do public safety within this structure. Nichols observed that if you can’t solve a specific issue at the local level in a small town, it’s even harder to do that at the statewide level. Maisch said that DNR is continuing its own internal deliberations on this topic.

Alaska Coastal Rainforest Center. Mike Goldstein, executive director of the Alaska Coastal Rainforest Center introduced himself. His background is in environmental toxicology and wildlife and fisheries sciences. He previously worked with private timber and with the Forest Service, and has experience evaluating and modeling disturbance processes, such as contaminants, recreation, and large scale development (like timber harvest or road building). The ACRC serves as a nexus for temperate rainforest research and education, and its broad partnership provides for enhanced communication across sectors. The Center was formed in 2009 (*see handout*) through an agreement between the University of Alaska Southeast (UAS), UAF, USFS Alaska Region, USFS Pacific Northwest Research Station, US Fish and Wildlife Service, and the City and Borough of Juneau. Goldstein was hired last summer. Additional partners include the National Oceanographic and Atmospheric Administration (NOAA) Alaska Fisheries Science Center, NOAA National Weather Service, the US Geological Survey, and The Nature Conservancy. It is part of the Juneau mayor’s vision for Juneau to become a larger research node.

The Center is establishing a useful program of work. They put research on hold pending a “10 Great Minds” meeting with the Center’s science advisory panel. The Center has and is holding education events coordinated with the International Year of Biodiversity (2010) and International Year of Forests (2011). They were involved in a BioBlitz citizen science activity. It was very successful – the bioblitz identified 800 species in 24 hours in the Fish Creek Watershed on Douglas Island. The Center will help host BioBlitz again this year in the Portage Valley (July 23-24) and in Auke Bay (June 18-19).

The Center is not just Tongass-centric nor limited to Southeast Alaska. We need to have data layers talk together between landowners, between US and Canada, etc. The Center has organized cross-boundary workshops for more seamless integration. To look at future climate scenarios, databases have to talk together. They are trying to enable multiple groups to work together and share data. With the Chugach National Forest, the University of Alaska Anchorage, and other partners, the ACRC is hosting a Classrooms for Climate symposium, in May, with a specific session on the International Year of Forests, focused on carbon storage and loss in coastal temperate rainforests.

Nichols asked about the Center’s mission. Goldstein replied that it is to serve as nexus for coastal temperate rainforest research and education.

Maisch said that UAF runs various climate model scenarios. How is the Center tied to UAF? Goldstein said that he is affiliated with the Geography department, and that Scott Rupp is the UAF delegate to the Center's board. He is trying to integrate SNAP (Scenarios Network for Alaska Planning) and the Center in Southcentral and Southeast. SNAP works at downscaling models. The Center working with them to develop vulnerability assessments for south central and Southeast Alaska. Maisch noted that DOF is also working with Rupp on fire season prediction.

Nichols asked how the Center is funded. Goldstein explained that he is housed at the UAS facility at Auke Bay, and the Center is funded by the partners and grants. They are considering separate nonprofit status. The Center's board has one member from each member organization.

Bosworth wondered whether there should be a fisheries center in Southeast Alaska that combines research, marketing, fisheries health, economics, etc. The Auke Bay Lab does just part of this. Vinsel observed that the Alaska Fisheries Science Center is located in Seattle. Bosworth asked whether a fisheries center would make sense. Goldstein said there is no nexus for that now. The Rainforest Center has an opportunity to grow in its mission. There is an opportunity for the Center to pull in information, and then look for a place to house it and fisheries may be included in that.

Cronin asked whether the Center will become a granting organization, have research conducted on staff, or just be a data repository. Goldstein replied that the Center plans to RFP [request for proposals] projects out next year using funding from private entities.

Nichols stated that bringing so many entities with different missions together raises concerns over who uses and directs the Center. Goldstein responded that it's not an advocacy organization. Being housed at UA is part of trying to stay objective. Nichols asks what pulls it all together. Goldstein said that rainforest initiatives are a key area for all the partners. The Center plans a big conference next year on climate change in the North American temperate rainforest. The Center doesn't have industry representation on the Board at present, but is open to dialogue. Nichols reiterated that the Center concept is a bit scary, e.g., taking the whole rainforest and portraying it as a carbon sink. Goldstein said that the Center hasn't portrayed that, but if someone wants to know about carbon and the rainforest, they would need to get at the data. Nichols commented that the Center will have a challenge to stay in the middle ground. Goldstein replied that the Center will stay in the middle ground, not advocating a particular position.

Cronin stated that there's nothing wrong with doing some harvesting. His experience has been the equation of science with a desirable management goal – that there is some impact on something. Goldstein commented that some organizations and individuals have come forward who want to be affiliated with the Center. If they want to portray a particular position as the position of the Center, the Center has to be very careful about who it accepts as official affiliates. Nichols said that even the name of the center has very environmental connotations.

Kleinhenz commented that research and education could be accomplished as a granting institution, and asked how the Center would handle the public policy goal. Goldstein responded that the Center may model this specific aspect (policy discussions) in a think tank environment. An organization who has successfully hosted specific working groups like this is called NCEAS

(National Center for Ecological Analysis and Synthesis; <http://www.nceas.ucsb.edu/>) and the Center could learn something from them by studying their method. Nichols asked whether any participants are elected officials. They provide a balance to other inputs.

Goldstein asked whether the Board of Forestry advises on policy. Maisch explained that the BOF does advise on policy using a process starting with a science and technical committee and then an implementation group of affected interests. Recommendations are often developed into legislation through the normal legislative process. FRPA bills that have gone to the legislature haven't been amended or changed. Everyone has something at stake. That approach failed in the Tongass Futures Roundtable -- not everyone had something at risk, which made it hard for consensus to work. Nichols added that the Board is appointed by the Governor, who was elected. Maisch noted that seats on the Board are set by statute. Kleinhenz stated that there is a need for good science and outreach. Those are great -- we need people doing that good work. He noted that a nonprofit organization can't take a position on public policy without losing its nonprofit status.

Wood supply for Tok combined heat and power. Rogers recounted that Alaska Power and Telephone (AP&T) approached DOF with the concept of securing a long-term fiber supply for a two-megawatt combined heat and power project in Tok. The DOF Tok Area Office and Northern Region Office continue to assess this concept. DOF is reviewing statutory authorities and regulations, and considering how to use them to make the project work.

Fiber supply is important to financing the project. The proposed project would probably require 800-1,000 acres/year. Doug Hanson, DOF inventory forester, refined inventory for biomass in this area. The supply has a lot of dense, small-diameter stands where there are public benefits for fuel treatments. Many of the lands closest to the project and community, and with highest hazard risk, are managed by the DNR Division of Mining, Land, and Water for settlement and other purposes. DOF is talking actively with them to figure out how to mitigate fire risk and work with the settlement program. Fuel closest to town is also the most desirable for low transportation costs.

Mark Eliot, DOF, reported that Thomas Deerfield with Dalson Energy did a good presentation to the TVSF Citizens Advisory Committee. The presentation led to good discussion with the Committee which has a composition similar to the Board. Rogers noted that harvests for AP&T would be on public lands and would significantly increase the scale of harvesting in a few years. DOF needs to bring the public along, make sure they understand the objectives, and hear their concerns.

Thomas Deerfield said that Dalson Energy is a renewable energy consulting firm that facilitates and advocates proliferation of biomass energy in Alaska. AP&T has a proposal for a 2-megawatt wood chip fired combined heat and power project. AP&T serves Tok, Tetlin, Tanacross, and Dot Lake. It is a regulated private utility whose rates set by the Regulatory Commission of Alaska. AP&T was forced to convert from low-sulfur to ultra-low-sulfur diesel in January, which jumped their diesel price to \$3.38/gal, which increased power cost from 38 cents to 48 cents/kwh.

Deerfield was hired by AP&T to advocate for a long-term biomass fuel harvest contract. This would be different from a timber sale. DOF has successfully sold timber contracts for many years, and it's hard to adapt a timber sale contract to a biomass fuel contract. Deerfield is working with

DOF to build template for a biomass fuel harvest contract. He was happy to see Hanson's biomass supply report. Deerfield estimated that a sustained yield of 153,000 tons/year could be harvested in the Tok Area for \$50-\$60/ton. The AP&T project would require about 25,000 green tons/year. That would require harvesting 800 acres/year based on the low-end volume estimate of 30 tons/acre. Jeff Hermanns' study showed higher volumes (62 tons/acre), which would require only 400 acres per year.

Deerfield is meeting with DOF to develop a contract form, and put together a tentative project. The project depends on getting funding for an investment-grade feasibility study. The proposal was highly recommended by AEA but is not through all the hoops yet.

Kleinhenz asked about the difference between selling biomass and timber. Rogers replied that DOF has sold contracts for wood and chips before. The same basic terms would still be in a biomass contract. Deerfield stated that the studies, tonnages, contracts, etc. were all designed for larger timber, not whole-tree harvest based on weight. Rogers responded that wood can be scaled by the ton; just the utilization standards are different. Usually utilization requires harvest down to a minimum size. In this case we want to be sure the wood goes to its highest and best use, and make sure the small percentage of trees suitable for lumber is used for that. Nichols said that the state should let the market do that. If there's a market for it, the harvester will sort that out. The bigger issue is DOF would dedicate a lot of the public resource to a single project. DNR has got to address how it does this and under what authority. The contract type is moot. Nichols first thought was to use a land rental agreement. Biomass is more like an agricultural crop than a timber contract. It's like a tree farm contract – a land rental that produces fiber. The 50-year [federal] pulp contracts weren't driven by a single entity. Will these biomass sales be offered competitively? Rogers said that DOF only has authority to offer sales for 25 years or more with a competitive sale or a negotiated sale under AS 38.05.118 which has some sideboard requirements. DOF is evaluating which is most appropriate for this case.

Nichols asked whether there is anything that prevents Alaska from entering into a contract to supply the timber and then provide it through competitive bids, work orders, etc. That would give the state more flexibility. Rogers replied that DOF is starting from what is possible within existing authorities. Nichols cautioned against taking methods written for timber for another use. No one knows what the issues will be five years from now, let alone 40 years from now. He supports this activity, but it won't be the only one, and DOF has to think about what it does as a precedent for other entities that may be less desirable.

Maisch stated that DOF doesn't want to create a situation where existing harvesters are unhappy and therefore work against a new industry. Rogers can envision a competitive sale working, but there needs to be an opportunity for people to bring fiber in to meet AP&T's needs. Deerfield commented that a year ago there were no would-be fiber suppliers. Nichols said that Tok is a unique example where the state could be the supplier and still decide where things need to be cut for fire purposes. The state could enter into a contract with AP&T to deliver the needed wood then figure out where and how. DOF may have more flexibility than just selling the fiber upfront.

Maisch emphasized that he wants something that will work for this contract and other future requests. Nichols said that the state owns the land and has a responsibility to look at these things with an eye to make this happen. Maisch observed that the state does have an underutilized

allowable cut now, but that may not be the case in the future. Nichols countered that the project will utilize something that DOF didn't think it could sell before. This will change the whole economic feasibility of the whole town of Tok. Nichols summarized his history in the timber industry to Deerfield. It's hard to write a contract that lasts 50 years, stays fair to both parties, and handles environmental issues. Deerfield noted that some people might view the state running harvesting as socialistic. Nichols stated that the state would just be the landowner and contract harvesting out to local enterprises.

Vinsel said that the state would be selling people something that would create an indefensible situation in terms of probable fire if left on-site. Before a land sale, someone with expertise should mark trees. Maisch agreed that land use planning and forestry documents should work together – the Community Wildfire Protection Plan which is based on fire risk and infrastructure, and the Tanana Valley State Forest management plan. Some biomass that wouldn't normally be available to DOF may be available for the purpose of reducing fire risk. We want to do this project right. It's hard to anticipate things 20 or 30 years out. For example, what happens if we designate a harvest area, and some of it burns in a wildfire next year? Nichols asked how DOF could draw a harvest circle today given all the uncertainty about wildfire, etc. Rogers expressed concern that state contracting for harvesting would leave the state the liability of guaranteeing a given volume. Nichols said the contract could have a force majeure clause. From AP&T's view, a consistent supply of wood fuel is lower risk than a 50-year supply of diesel.

Foley said that there's a lot of wood fiber. Many good questions have been raised. DOF can't answer them without a mapping exercise due to varied landowners, changes in perceived needs, etc. He didn't hear information about regeneration requirements – how long does it take to regenerate? He recommended that DOF do a mapping exercise and map areas for short-term needs for fuel and firebreaks. The Division will need a bank of dedicated state land, and empirical data. Rogers reported that DOF has started this process with GIS mapping and the inventory report. Jeff Hermanns is taxed with defining the “sandbox” - the location of wood resources, haul distances, etc. AP&T also getting more detailed on feasibility and fuel costs.

Kleinhenz asked how much biomass this area can generate. Maisch said that there could be fairly short rotations for aspen for timber. There's probably a sweet spot of age vs. volume/acre. Doug Hanson estimated 31.25 tons/acre for the average across the whole area.

Nichols noted that it's flat ground, harvesting would be mechanized, and aspen regenerates from stump sprouts. It's more agriculture than forestry. You could mow it down every 20 years. Maisch commented that productivity is likely moisture limited in the Tok area. Rogers reported that Canadians are experimenting with fast-growing poplar hybrids. He also noted that a lot of diesel fuel is still used for harvesting and transportation. Eliot announced that he just got an e-mail from Clear Air Force Base interested in a similar project. That would be primarily on Mental Health Trust land.

Deerfield thanked Maisch, Rogers, and others for working in good faith on this project.

Next meeting: August 30-31, 2011 in Palmer. The agenda will include an opportunity for a half-day field trip to see roads, harvesting, etc.

Agenda items

Landslide Implementation Group

Tongass/Southeast Alaska issues

- Tongass Land Management Plan Implementation
- Tongass Futures Roundtable
- Sealaska entitlement legislation
- Mental Health Trust exchange legislation & Board position

NPDES permitting and forest roads

FY12/13 FRPA Budgets

State forestry planning updates

Regional updates and status of local industry

Wood energy updates, incl. boiler standards

- Tok CHP project

2011/12 legislation

- SE State Forest additions (HB105/SB44)
- Invasive species coordinator (HB 97)
- Public safety and FRPA (HB 91)

Process for FRPA issues and position on HB 91 (with guests like Sturgeon)

Interagency work priorities

Fire policy and BOF

Board comments.

- Nichols said it is interesting to see the diversity of things going on across the state in forestry; DOF does a good job bringing information to the Board
- Cronin appreciates what Clarence, Kyle, Rick bring to the Board
- Bosworth observed that it was a more relaxed meeting than in the past; there was too much down time
- Vinsel appreciated accuracy on time estimates, information from agency staff, the value of field trips, and the broad perspective of Board as the discussions provoke deep thought on the use of public resources, state interests, and public safety. He is honored to be part of the discussions.
- McLarnon thanked Rob and Koren Bosworth for inviting the Board over for a potluck. She thanked the staff and presenters, and is excited to see the emerging wood energy aspects.
- Kleinhenz appreciated being welcomed as an alternate
- Foley thanked everyone for their hard work and preparation, and thanked Rob and Koren.
- Maisch said that DOF considers the Board part of its brain trust. The Board helps keep us grounded and focused. It's a stimulating process. He thanked the Board for doing this as volunteers.

Adjourn Day 2: 5:05 p.m.

Handouts

- Draft Agenda
- Public notice
- Draft minutes of January 31, 2011 Board of Forestry meeting

- 2010 Compliance monitoring summaries by region
- Draft Strategic Plan for Invasive Weeds and Agricultural Pest Management Protection, 2011-2016. DNR Division of Agriculture Plant Materials Center. Jan. 2011. 52 pp.
- Certificate of lawful timber procurement
- Annual reports to the Board of Forestry
 - DNR Division of Forestry
 - ADF&G Division of Habitat
 - DEC Division of Water
- Agency review draft of proposed changes to burn permit regulations
- Alaska Legislative Budget and Audit Committee report on DNR Alaska Coastal Management Program, Part 1, December 8, 2010.
- January 4, 2011 letter from DNR Commissioner Daniel Sullivan to Legislative Auditor Pat Davidson re: Alaska Coastal Management Program Audit – Preliminary Special Report, Part 1, Dec. 14, 2010.
- Letter from Pat Davidson, CPA, Legislative Auditor to members of the Legislative Budget and Audit Committee responding to the January 4, 2011 letter from Commissioner Sullivan.
- Forestry 2010 Summary – pamphlet summarizing 2010 DNR Division of Forestry accomplishments
- House Joint Resolution 24 re reauthorization of the Secure Rural Schools and Communities Self-Determination Act of 2000
- Draft resolution and letter re support of proposed US Forest Service Alaska Mental Health Trust Land Exchange.
- Maps: Alaska Mental Health Trust parcels for exchange, Jan. 11, 2010 (2 maps) and Alaska Mental Health Trust – U.S. Forest Service proposed land exchange (1 map)
- Alaska Coastal Rainforest Center pamphlet

Attendance

William Ashton, DEC, Division of Water
 Clarence Clark, DNR Division of Forestry
 Thomas Deerfield, Dalson Energy
 Mark Eliot, DNR Division of Forestry
 Marty Freeman, DNR Division of Forestry
 Mike Goldstein, Alaska Coastal Rainforest Center
 Gino Graziano, DNR Division of Agriculture
 Kevin Hanley, DEC Division of Water
 Dave Harris, USFS Director of FM
 Brian Kleinhenz, Sealaska
 Tom Kurth, DOF Fire Management Program
 Ruth Monahan, USFS Region 10
 Kyle Moselle, ADF&G
 Joel Nudelman, DNR Division of Forestry
 Beth Pendleton, USFS Region 10 (3/31 only)
 Devany Plentovich, AEA
 Rick Rogers, DNR Division of Forestry
 Jim Schwarber, DNR Division of Forestry
 Paul Slenkamp, Alaska Mental Health Trust
 Nancy Sonafrank, DEC Water Division (Fairbanks)
 Jackie Timothy, ADF&G
 Ed Wood, Mitkof Highway Homeowners Assn.